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THE OVERSEAS DEVELOPMENT COUNCIL: AN ELITE POLICY-PLANNING GROUP ON U.S.-THIRD WORLD RELATIONS, ITS POWER-STRUCTURE AND INTERNATIONAL DEVELOPMENT-EDUCATION IDEOLOGY

by

©

SWEE-HIN TOH

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ABSTRACT

With the steady growth of power-structure research in critical social-science cricles, an increasing pool of insights into the structure and processes of power in U.S. and other capitalist societies has been accumulated. This study builds upon this body of critical research by analyzing the power-network and international-development ideology of an emergent U.S. private policy-planning group -- the Overseas Development Council (ODC). The ODC formulates policy-proposals on U.S.-Third World relations and problems of underdeveloped countries(UDCs).

A power-network analysis of the ODC shows that the ODC is supported by most of the largest U.S. industrial and financial corporations as well as foundations, which have extensive investments or interests in UDCs. Also linked to the ODC are elite law- and consulting-firms, dominant mass-media, key foreign policy-planning groups, several voluntary or "development"-related associations, domestic U.S. special-interest groups, USAID, multilateral "development" banks, and several eminent U.S. think-tanks or university centers like Brookings, Resources for the Future, and Harvard's Center for International Affairs.

These various linkages have varying significance for ODC's existence. Corporations and foundations provide funds and directions via their dominance on ODC's Board of Directors. The elite intellectual centers contribute

an extensive pool of scholarly expertise vis-a-vis U.S. foreign relations and UDC modernization. Lower-level associations serve as outlets for ODC ideology to reach U.S. citizens and UDC contexts. And U.S. or multilateral aid agencies furnish application opportunities for ODC ideology.

The processes of ODC policy-formation and ideology-propagation were analyzed by (a) assessing the "potential influence" of ODC Directors in terms of interlocks with established foreign policy-planning groups(e.g.CFR), and State roles(e.g. Executive Branch posts; aid expertise); (b) documenting ODC high-level policy meetings, liaison activities, media publicity, and appearances before Congressional hearings; and (c)content analyses of ODC publications. The evidence shows an extremely well-organized and potentially influential group for reaching top U.S. policy-makers and for disseminating ODC ideology to lower- and middle-levels of U.S. society, as well as to UDC modernization contexts.

In its "development" ideology, the ODC espouses the concept of "global interdependence", which at base is an attempt to transcend U.S. "containment" policy by reintegrating UDCs into a renewed world capitalist system. The ODC's "new development theory" professes to criticize growth-only modernization strategies by emphasizing the fulfilment of mass basic-needs, "growth-with-redistribution" reforms, and accomodating to UDC demands for a New International Economic Order. A critical analysis of the ODC's basic "development" themes across such issues as foreign aid, MNC investment, "rural development", and political-economic change shows, however, that behind ODC professions of concern for the well-being of UDC masses lie deep-rooted corporate motivations of capitalist accumulation and expansion. Global interdependence in effect, reflects an attempt by U.S. and allied First World power-elites (via the ODC, CFR, and Trilateral Commission) to reintegrate UDCs into a new but still unequal international division of labor which will perpetuate dependency and underdevelopment of UDCs.

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LIST OF ABBREVIATIONS AND ACRONYMS

AAFLI - Asian-American Free Labor Institute
AALC - African-American Labor Center
AAUW - American Association for University Women
AFL-CIO - American Federation of LaborCongress of Industrial Organizations
AIFLD - American Institute for Free Labor Development
CED - Committee on Economic Development
CFR - Council on Foreign Relations
CIDA - Canadian International Development Agency
CIS - Congressional Information Service
CWS - Catholic World Service
DAS - Development Advisory Service, Harvard University
DC - "Developed countries", or First World nations
DWPF - Draper World Population Fund
ECAFE - Economic Commission for Asia & the Far East
FF - Ford Foundation
FPA - Foreign Policy Association
HEW - U.S. Dept. of Health, Education & Welfare
HID - Harvard Institute for International Development
IADS - International Agricultural Development Service
IBRD - International Bank for Reconsturction & Development, or the World Bank
ICED - International Council for Educational Development
IDA - International Development Association
IDB - Inter-American Development Bank
IFAD - Internal Fund for Agricultural Development
IFC - International Finance Corporation
IMF - International Monetary Fund
IPPF - International Planned Parenthood Federation
IVS - International Voluntary Service
LVWUS - League of Women Voters of the United States
MNC - Multi-national Corporation
NGO - Non-governmental Organization
NUL - National Urban League

OAS	- Organization of American States
ODC	- Overseas Development Council
ADB	- Asian Development Bank
OPIC	- Overseas Private Investment Corporation
PCC	- Population Crisis Committee
RF	- Rockefeller Foundation
RFF	- Resources for the Future
SAIS	- School of Advanced International Studies, John Hopkins University
SID	- Society for International Development
TND	- Transnational Dialogues Project, ODC
UAW	- United Automobile Workers
UDC	- Underdeveloped nations or the Third World
UNDP	- United Nations Development Programme
USAID	- United States Agency for International Development
USIS	- United States Information Service
WW	- Woodrow Wilson School of Public & International Affairs, Princeton University
VAA	- Voluntary Aid Agencies

SECTION I

THEORETICAL UNDERPINNINGS
AND
RESEARCH METHODOLOGY

INTRODUCTION

Routinely each year, U.S. Congressional Committees such as the Senate Foreign Relations Committee or its House counterpart, hold hearings on Executive Branch proposals for U.S. foreign assistance. At one such hearing in July 1974, before the House Committee on Foreign Affairs, a Mr. James P.Grant appeared as an expert witness in his capacity as President of the Overseas Development Council(ODC). The dialogue between Grant and Committee members included the following exchanges (Grant, 1974:603,607):

> MR. WILSON: Mr. Grant, the Overseas Development Council(ODC) is not a part of Government in any way, is it?
>
> MR. GRANT: No, sir....The (ODC) is a nonprofit research and public education organization broadly analagous ...to a Brookings, but Brookings covers any issue of public policy, and we are primarily concerned with the north-south issue, the issues of the U.S. relationship with Asia, Latin America and Africa....
>
> MR. FOUNTAIN: I wonder if you would give us a little synopsis (of ODC operations and purposes) for the record?
>
> MR. GRANT: The Council was set up a little over 5 years ago by a group of private citizens who were very concerned with the U.S. relations with Asia, Africa, and Latin America, and they felt there ought to be a center of concern that engaged in research and stimulating public discussion and awareness on those issues. So the Council has a research program, many writings. We conduct seminars at the Council and elsewhere around the United States on these issues and contribute articles to publications like Foreign Affairs and Foreign Policy, as well as putting out our own publications. Where there is an interest in a Congressional Committee, normally it is on invitation that we testify. In other words, we don't seek to push ourselves on Congressional Committees. I would say that at this stage of time the Council has become recognized as an important source of information. The New York Times in the lead editorial the other day said that some of the most serious analysis of the world economic scene was coming out of the Council.

> MR. FOUNTAIN: I think you have a very impressive array of people on your Board of Directors, and I think it is good for organizations such as yours to be in existence and to have an interest in the field......

From the foregoing brief dialogue, a number of interesting power-structure[1] features of the ODC can already be discerned. Thus in 1969, a new think-tank was created to especially focus on U.S. policies towards the Third World. It appears that in just over five years, the ODC has attained sufficient prominence to receive editorial praise in no less an elite mass-media as the New York Times. Last but not least, when a senior-ranking Congressman describes ODC's Board of Directors as "a very impressive array of people", it is obvious that he is not talking about ordinary U.S. citizens. More accurately, the term "power-elites"[2] should have been used rather than "people".

Indeed, as critical analyst Steve Weissman(1974) had documented in what is to date the only published research on the ODC, the Council is no ordinary-citizen public-interest group. Sitting on ODC's Board of Directors are top executives of many of the largest U.S. multinational corporations(MNCs) and banks, which directly or indirectly via their foundations sustain funding for ODC operations. Instrumental in the ODC's formation are key corporate and/or intellectual elites including David Rockefeller, Eugene Black, Davidson Sommers and James Perkins, as well as other members of President Johnson's 1968 Commission on foreign aid (e.g. Harvard's Edward Mason; Ford Foundation's Bell; Bank of America's Peterson). Amidst the changing international political-economic environment, where Third World countries are exerting themselves qua nations, and where U.S. capitalism requires renewed worldwide expansion, the ODC was formed to lead the thrust of a new aid-lobby in Washington. Though rallied around the concept of "multilateral development", the "new" aid at base aims towards facilitating renewed promotion of U.S. private investment and business in underdeveloped countries (henceforth referred to as UDCs).

That the ODC was born out of a perceived need of leading members of the U.S. ruling-class is, for anyone concerned about what Domhoff(1979) has termed the "processes of ruling-class domination", ample justification for an in-depth study. But even more so, in an era when the centers of imperialism can no longer perforce carve out and crudely plunder UDCs at will, it is important to keep track of the more complex and sophisticated policies that the U.S. (as the dominant Center nation) must forge to perpetuate Third World dependency and neo-colonialism. As the ruling-class think-tank expressly created to plan for U.S.-UDC relationships, the ODC clearly deserves critical and comprehensive scrutiny beyond Weissman's exploratory research.

This study then is an empirical investigation, in the tradition of critical power-structure research, of one increasingly influential elite association or elite forum[3] within the U.S. policy-planning network. I shall seek to expose in detail the ruling-class ethos of the ODC, both structurally(in Section II) and ideologically(Sections III & IV). In brief, Section II comprises the power-structure linkages of the ODC, the processes of influence or domination exercised by the ODC, and the possible degree of ODC influence on U.S. foreign-policy formation. Section III consists of an intensive and comprehensive content-analysis of ODC ideology and U.S.-UDC relations. And in the concluding part (Section IV), I shall attempt to show how and why the ODC's "development ideology" serves primarily the interests of U.S. and First World imperialism, and conversely does not serve the interests of oppressed Third World peoples. But before proceeding to the study proper, it is appropriate (in Section I) to document not just the research methodology but also the study's theoretical underpinnings. For as a critical social-science project, this investigation logically affirms

> the epistemological truth that scientific facts are always the product of theory in which they are constructed. Theoretical precision, however, does not absolve theory of the necessity of empirical verification (Burris, 1979:9).

Furthermore, at the outset, it is helpful to make clear the label "critical" which is consistently used in succeeding pages. "Critical" as applied to social science refers to modes of theorizing and empirical research that owe significantly to Marxist-oriented theories and methods, but need not necessarily be "pure" Marxism, thus allowing for inclusion of other theory-and-practice systems that are no less committed to humanistic and socialist futures. A good example is the "liberation theology" movement which while differing ontologically from Marxism, regards Marxist conceptions of class exploitation and revolution as integral instruments for understanding and changing the world (Gheerbrant,1974). It should also be noted that "critical" as used here refers not to the specific label of "critical theory" given to the work of "Frankfurt School" social analysts like Marcuse or Habermas (Shapiro,1972), although certainly critical theory would be one of the theory-and-practice systems covered in my global open-ended notion of critical social science.

A final note bearing on my social-scientific philosophy in pursuing this research project is that no pretense is made about value "free-ness" or "ethical neutrality". In simple terms, the commitment underlying my investigation is an abhorrence of the exploitation, alienation and needless human suffering that the logic of capital accumulation demands and will continue to reproduce, until its transcendence by more just and humanistic forms of social relations among all peoples of the world. In my view, despite the qualms or disapproval of mainstream social scientists who claim that "science" and "values" do not mix, there is no incompatibility between such ethical commitment and analytical objectivity.

Chapter 1

THEORETICAL UNDERPINNINGS

INTRODUCTION

In this first chapter, the theoretical underpinnings of the study will be laid out in several sub-sections. Following an initial summary of the "symptoms"of Third World poverty, the two alternative paradigms or worldviews for explaining "underdevelopment" and promoting "development" are discussed and contrasted. This review of the "modernization" and "critical" paradigms of underdevelopment -development affords the yardstick for evaluating the paradigmatic locus of ODC development-ideology.[4] Next, since ODC's work is aimed at planning a "new" order in U.S.-UDC relations, it will be helpful to articulate the existing state and historical basis of such relations. In other words, what have been and are the major features of U.S. hegemony in the Third World? Finally, there is a summary of critical research that has emerged on locating "power-elites" in the U.S. class structure, and on understanding their role in the U.S. policy-formation process. It is this body of theory and research which underpins the work undertaken in Section II to reveal the ODC's power-network.

"SYMPTOMS" OF UNDERDEVELOPMENT

The "symptoms" of Third World underdevelopment are nowadays incontrovertible statistics of absolute and relative poverty, hunger, ill-health, squalor, illiteracy and inequalities afflicting some two-thirds of humanity. Tables 1 and 2 document some of these indicators comparing "underdeveloped poverty" of a poor majority with the "developed affluence" of a rich minority of nations. Tables 3 and 4 summarize one further important development gap between developed and underdeveloped nations, namely the gap in terms of export and import performances on the world trading system. Clearly, UDCs rely more heavily on primary commodities for export earnings(81 %) than First World or capitalist developed economies--henceforth referred to as DCs(23%), and "socialist"-bloc economies(37%). Furthermore, UDCs rely extensively on one to three primary commodities to generate practically all foreign exchange earnings.[5] Conversely, DCs have much larger proportions of manufactured products than UDCs in their national export earnings. On a world scale, DCs monopolize 83 percent of manufactures export-trade compared to 8 percent for UDCs. And on the import side, DCs not only consumed most of the world's primary product imports (73 %) but also much of the world's manufactured imports (64%). Such then are the facts of "uneven development" on a world scale.

The "development gap", however, is not just globally based. It also acutely pervades the internal political-economic and social structures of almost all Third World states, with notable exceptions in "socialist experiments" such as China, Cuba or North Korea. Typically, in UDCs,

Table 1: Indicators of Third World Poverty and First World Affluence, circa 1975-1976 (a)

Indicator	UDCs[b]	DCs[c]
Average per capita GNP	$494	$5847
Absolute poor (millions)[d]	770	<5% pop.
Average life-expectancy(years)	56	73
Average infant-mortality rate (per 1000 live births)	102	14
Average literacy rate	49%	97%[e]
Average per capita education budget(1974)	$13	$254[e]
Average per capita public health expenditures (1974)	$4	$114[e]
Physicians per 10,000 population(1974)	3	19[e]
Estimated pop. unemployed(millions)	33	17
Estimated pop. underemployed(millions)	250	n.a.

Sources: ODC(1979:151,172,176); ODC(1977:178)

a. Except when otherwise stated
b. Figures are averages for some 140 UDCs, including OPEC UDCs.
c. Figures are averages for 22 DCs including USA,Canada, most of Western Europe, Japan, Australia,New Zealand
d. "Absolute poor" indicates (on an internationally comparable basis) the number of people in each country whose per capita income is below the level at which it is possible to secure minimum shelter, nutrition, clothing in that country; it is only a rough estimate .
e. Figures include DCs, USSR, and 5 other East European states.

Table 2: Relative Shares in World Production of Selected Resources and Expenditures of UDCs and "Developed Nations"[a]

Indicator	UDCs	"Developed Nations"[a]
Population (1976)	72%	28%
GNP (1976)	20%	80%
Export earnings (1976)	27%	73%
International reserves (1977)	43%	57%
Military expenditures (1976)	23%	77%
Public education expednitures (1974)	13%	87%
Public health expenditures (1974)	7%	93%

Source: ODC(1979:173)

a. See footnote (c), Table 1.

Table 3[a]: Composition of World Exports and Imports by Groups of Countries, 1976 (percentages)

Export-Import Products	DCs	UDCs	"Soc. blocs"[b]	World
EXPORTS (percentages)				
Primary products	22.9	81.2	37.0	39.2
Manufactured products	75.7	18.5	56.5	59.2
IMPORTS (percentages)				
Primary products	42.3	31.0	30.6	39.2
Manufactured products	56.3	65.9	66.3	59.2

Source: Adapted from Table C-1 in ODC(1979:207). Original data extracted from U.N. Monthly Bulletin of Statistics, Vol.32,No.6(June 1978),special table F.

a. Read down each column for composition of exports-imports of each group of countries.
b. "Socialist blocs" nations

Table 4[a]: Shares of World Exports and Imports, by Types of Products ,1976 ($billions and percentages)

	World ($ billions)	DCs	UDCs	"Soc. blocs"[b]
		(percentages)		
EXPORTS				
Primary products	387.5	37.9	53.3	8.8
Manufactured products	585.3	83.1	8.0	8.9
Total	988.8	64.9	25.8	9.3
IMPORTS				
Primary products	387.5	72.8	17.6	7.4
Manufactured products	585.3	64.0	24.8	10.7
Total	988.8	67.4	22.2	9.5

Source: Adapted from Table C-4 in ODC(1979:210)

a. Read across each line for distribution of each product among various regional groups.

a tiny proportion of citizens--ruling elites and propertied classes--monopolize material resources in ostentatious life-styles while the downtrodden masses suffer hunger, disease and squalor. One indicator of such social inequalities is the uneven income distribution, whereby the population's top 20 percent may get from 50 to 70 percent of total national income, whereas the poorest 40 percent may only average 10 to 15 percent of national income (Ahluwalia, 1974:8)[6]. In some instances (e.g. Honduras, Ecuador), the poorest 40 percent receive an income share of only 6 to 7 percent.

Furthermore, most UDCs show a concentration of poverty in the rural areas, where the bulk of their populations survive off an agriculural base. Whether it be Latin America (Feder,1971), Asian UDCs like India and Pakistan (Bardhan,1973; Dandekar & Rath,1971; Ali,1970), African states such as Ghana, Ivory Coast, Egypt, Algeria, Tunisia or Morocco (Amin,1973a:69,72ff; Amin,1977), or Middle-Eastern Iran (Halliday,1979:131), the statistics tell the same story of rural impoverishment. Particularly in Latin America, Asia and the Middle East, rural poverty is closely bound up with gross inequalities of land tenure, with a rich farmer-landlord minority controlling much land resources and thereby the livelihoods of the masses of miniplot peasants, tenant farmers, and landless laborers. This is not to say that urban poverty is non-existent. The wretched slum habitat found in the favelas, barriadas or villas miserias of Latin America, or the bustees of Calcutta, or Manila's barong-barongs, provide ample testimony of urban deprivation. It bears noting, however, that rapid growth of urban slums and squatter settlements in UDCs is significantly attributable to the rural-to-urban migration flows fostered by rural stagnation and the relative urban-rural economic gap (Rosser,1973a,1973b; Boyce,n.d.)

At the start of the "Second Development Decade" (DDII) in 1970, the U.N. General Assembly declared DDII's chief target to be an average annual growth rate of 6 % for all UDCs. Subsidiary targets included growth rates of 8% in manufacturing, 4% in agriculture, and 7% in export value, and an official aid level equal to 0.7% GNP of DCs. But as World Bank President McNamara(1979:2ff) reported to Bank governors last year, none of these targets will be attained, particularly in the poorest UDCs with some 60 % of total UDC population. Likewise, social indicators on nutrition, life expectancy, and income per capita barely improved over 1950-1970. In sum, despite pronouncements of "Development Decades", foreign aid, or the plethora of "national development plans". the symptoms of underdevelopment remain as acute as ever. Yet while theorists-and-practitioners of "development" will not dispute the factuality of those symptoms, the arenas of "causes" and "solutions" are strongly contested terrains of theorizing, analysis, and implications for practice. Why is the Third World poor? What are the roots of marginalization, domestically and internationally? How then is "underdevelopment" to be overcome and "development" fostered?

In the debate, or more properly,struggle over such questions of development theory-and-practice, two major worldviews or paradigms can be discerned. The worldview which enjoys mainstream or dominant status in academic and governmental "development" circles will be referred to as the modernization paradigm. The opposing radical worldview, which has sought to expose the vested DC and UDC elite interests behind modernization ideology, is referred to as the critical paradigm. In the following two subsections, the salient themes of both paradigms will be summarized.

THE MODERNIZATION PARADIGM ON UNDERDEVELOPMENT AND DEVELOPMENT

The interest in development-theorizing by DC scholars, initially mostly economists, first mushroomed with the post-WWII increase in DC aid to newly independent UDCs. Concern at international organizations like the U.N. and IBRD also spurred such interest, so that by the early 60's, the gamut of academic disciplines (e.g. economics, sociology, political science) were extensively involved in academic research and "development" projects. At the outset, though, it should be made clear that the notion of a modernization paradigm does not imply that constituent scholars always agree on any or all aspects of each other's theorizing. Differences in details of conceptualization and theories can and do occur --e.g. the debate among modernization economists about "balanced" versus "unbalanced -growth" strategies (Elkan,1973:78ff). But despite such conceptual disagreements, it is still possible to detect (as in the case of the critical paradigm) key common underlying paradigmatic themes implicitly or explicitly shared by those within the paradigm, whatever their specific differences.

For the modernization paradigm, three themes can be discerned. First, there is the "unilinear" assumption that UDCs ought to and can "develop" along the path blazed by modernized DCs, with advanced capitalism as the highest stage of "social development". Second, underdevelopment is attributed to the lack of or insufficient "development" of certain internal UDC characteristics, whether these be capital, technology, cultural attitudes, social organization, or entrepreneurial elites. Simultaneously, one crucial internal structural feature is singularly and consistently downgraded, distorted or ignored, namely that of social relations of production as understood by critical analysts. And thirdly, DCs are deemed to have had and to have a positive role in fostering "development" via economic and political relationships. These basic themes--implicit or explicit, qualified or unequivocal--are to be found recurring in modernization literature across the disciplinary spectrum.

Modernization Economics

Thus in modernization economics, the deficiencies of various institutional, social and cultural "preconditions" for economic growth are stressed, such as capital scarcity, capital-mobilizing institutions, infrastructure, receptivity to science and technology, human-resource improvements (e.g. education,health), and an elite entrepreneurial class (Rostow,1961; Viner,1953; Lewis,1954; Nurske,1952; Hirshman,1958). The transition from a "traditional" to "modern" economy entails therefore the filling-up of those deficiencies, a process historically begun by DC colonialism and indubitably necessitating continued beneficience from DCs through aid and foreign investment. The key acid-test identifying modernization economics lies clearly in its evaluation of the role of private foreign investment in UDC "development". For even when certain negativities are admitted (e.g. concentration of material resources in elite interests' hands; excessive outflows in export enclave investment), the overall verdict is still favorable to foreign capital's role (Myint, 1954; Meier,1953). In recent development-theory literature, of course, it has been the role of multinational corporations (MNCs) which has come under debate. While some might lament MNC abuses and/or support establishment of foreign investment codes, modernization economists generally defend MNCs as contributing to global and UDC welfare by transferring "needed" capital, technology, managerial and technical skills to UDCs short on those factors, and by providing UDCs with outlets into world markets (Ball, 1967; Behrman,1970; Drucker,1974; Kindleberger,1970; Vernon,1971a,1977).

Modernization Sociology

In modernization sociology, much of the theorizing invokes the structural-functionalist and evolutionist strategy of social change initially proposed by scholars like Refield(1947) and Tonnies(1955), and popularized by Parsons(1951:67) in his pattern-variable scheme. "Modern" society is characterized by Parsons as having value-orientations ("affective-neutrality, self-orientation, universalism, achievement, specificity") contrasting with "traditional" society's "affectivity, collective-orientation, particularism, ascription, and diffuseness". Societal development is said to require "differentiation" (e.g. diffusely functioning peasant households to modern specific work-roles) and "value-generalization" (from ascription-particularistic to achievement-universal norms). Translated into the global context, this mode of conceptualizing "development" leads to one obvious implication: UDCs as "traditional" societies will need to shift their value-orientations into "modern" ones characteristic of DCs.

Thus prominent modernization sociologists like Moore(1963:89ff), Hoselitz(1966), Smelser (1963) and Lerner (1958) all visualize "development" as transformation and differentiation of "traditional" societies into modern, technological, economic, political, educational, legal, family, and motivational orders characteristic of DCs. More recently, Harvard (now Stanford) sociologist Alex Inkeles produced a massive empirical study of "individual modernity," based on 4-hour long interviews of some 6000 men in 5 UDCs plus Israel (Inkeles & Smith,1974). Some major study findings include identifying education as the "most powerful factor" in making men modern; and the factory as an important "school" for modernity, since it increases workers' chances for "self-expression", "advancement", "innovative potential", and "cognitive openness" while decreasing their "passive fatalism". Inkeles hence draws a typical modernization implication for action --to develop, UDCs will need to diffuse modern individual attitudes and values through society. Conversely, in one sentence only does Inkeles admit the existence of structural political-economic causes of underdevelopment. Even then, he is most equivocal:

> Narrow class interests, colonial oppression, rapacious great powers, international cartels, domestic monopolies, archaic and corrupted governments, tribal antagonisms, and religious and ethnic prejudices...are among the many objective forces which we know may act to impede modernization (Inkeles & Smith,1974:313; emphasis added).

In short, modernization sociologists explain underdevelopment as a lack of "modern" social organization required to complement "modern" economic structures. Such "modern" organization and structures are optimally cast in First World and thereby capitalistic norms.

Modernization Psychology

In focussing on internal institutional barriers to "development", modernization sociologists and economists often also refer to psychological prerequisites (e.g. Lerner's "empathic,participant, mobile personalities"; Inkeles' "modern man"). Not surprisingly then,a modernization psychology too has appeared. Most well-known in this regard is Harvard's David McClelland(1961), who postulated the n-Ach (need for achievement) factor as what motivates entrepreneurship and hence economic growth. n-Ach refers to the desire to do well and attain an inner feeling of accomplishment. From studies of historical and contemporary societies, McClelland claimed correlations between n-Ach levels and consequent economic activity or growth. While Weber's Protestant ethic is deemed one form of n-Ach, McClelland argues for general applicability of the concept, even to non-capitalist societies. The policy implications are quite obvious: since "development" is hindered by lack of entrepreneurial talent (which reflects high n-Ach), UDCs should seek to diffuse the ideology of n-Ach through governmental, business and even family circles (McClelland, 1961:93). A concrete attempt to practice this theory is seen in McClelland & Winter's(1969) training course to increase n-Ach of 150 Indian businessmen. Results attained were mediocre, but more to the point are the following remarks:

> it may not be relevant to present purposes that thousands of lower-class workers in Calcutta experience life as hopeless misery...though it certainly is tragic...(But this group) does not take any major decisions about the course of industry and commerce in India. Rather it is the entrepreneurs, managers, or planners who will be responsible for Indian economic development in this generation. Thus our study is concerned with one of the most strategic sectors of Indian society(McClelland & Winter, 1969:249).

In other words, n-Ach theory assumes that higher "achievement motivation" among present Indian elites will eliminate the "hopeless misery" of lower-classes via greater "economic development". The paradigmatic theme of internal-causes behind UDC poverty is hence accentuated by a single, simplistic psychological factor, while the political-economy of class relationships is ignored in usual modernization style.

Modernization Political Science

Much modernization research has also appeared in the discipline of political science. Here, the influence of the Social Science Research Council (SSRC) Committee on Comparative Politics has been substantial. The ten-member committee, including such elite scholars as Lucian Pye, James Coleman, Sidney Verba, Gabriel Almond, and more recently Samuel Huntington, was formed in 1954 to organize conferences and research on political modernization. Basically structural-functionalists, these theorists developed a set of concepts (e.g. "political culture", "interest articulation and aggregation") to explain political systems and political "development" (Almond & Verba,1965; Almond & Coleman,1960;Almond & Powell,1966; Palombara & Weiner,1966).

A central tenet of this theorizing is that DC "liberal-democracies" are the zenith of "political development", and thereby the ideal model for UDCs to emulate. The features of differentiation, role-specificities and achievement motivations (cf. modernization sociology), and the existence of political "pluralism" via "competitive party politics", are characteristic of the highly "civic political culture" of DCs. In contrast, politically "underdeveloped" UDCs face problems of dis-articulation, lack of integration, aggregation and communication, under-participation by parliaments in rule-making, and weak associational groups. UDC political elites therefore, with DC help, should work towards the modernization of their political systems, including as Harvard's Huntington (1965) stressed, organization of strong "democratic" party organizations.

However, as O'Brien(1972) critically observed, with the heightening of UDC political instability, it is "political order" ,not "political democratization", that has become central in such theorizing. Explicit Cold-War philosophy is articulated, warning against the possibility of revolutionary change caused by over-intense "demands" of "raw" interests upon the political system (Almond & Powell, 1966:210ff, 327ff). Exemplifying most crudely the counter-revolutionism of political modernization theory, Pye(1966:126-152) identifies the real "culprits" of UDC "insurrectionary movements" as the "Communists" -- "enemies of freedom (seeking) to exploit all possibilities" for their "wars of national liberation".

> As a result of Vietnam as well as incipient insurgency in Africa and Latin America, the United States government during the Kennedy Administration became deeply absorbed with the problems of counter-insurgency. We have sought to develop a doctrine of counter-insurgency policies to match the Communist doctrine of "wars of liberation"...We can begin to accumulate insights on the art of controlling rebels who would destroy the prospects of democratic development and establish the rule of tyrants.

And comparing the value of "competitive politics" in national development (e.g. India) to "monopolistic traditions" (e.g.China), Pye(1969:392) praised India's "remarkable potential for vigorous development" but castigated the "policy failures" of Peking and its "inability" to "realize the potential inherent in Chinese society." Besides Pye, Huntington has also achieved counter-revolutionary notoriety as an U.S. State consultant and as a Cold War theorist. Thus , at the height of the Vietnam War, he stated that U.S. tactics of forced-draft urbanization and modernization were undermining the Vietcong rural-based revolutionary movement, and obtained for the poor migrants "a higher level of economic well-being"! (Huntington,1968).

In sum, political modernization theorizing embodies the key themes of the modernization paradigm: the First World society as the zenith of "development"; the causes of "political underdevelopment" rooted in internal deficiencies which have nothing to do with class hegemonies; and the beneficient role DCs can play in promoting "political development", through example and through aid, including increasingly counter-revolutionary intervention.

Thus, whether the disciplinary focus be economics, sociology, psychology or political science, the basic paradigmatic themes of modernization consistently show through. It is hence quite natural that constituent theorists are mutually supportive of each other's work. Rostow, for example, is often cited by the others; McClelland by

Pye and Hoselitz. Simultaneously, there is invariably no attempt by these modernization intellectuals to confront the emergent literature embracing critical paradigmatic themes.

THE CRITICAL PARADIGM ON UNDERDEVELOPMENT AND DEVELOPMENT

As noted briefly in Section I's Introduction (supra: 5), the label "critical" was chosen for the alternative paradigm to "modernization" analysis. My choice of the designation "critical" rather than "Marxist" bears elaboration --given that a primary source of concepts and analytical tools for this alternative paradigm is the social theory first laid down by Marx, then applied by revolutionaries like Lenin or Mao, and in recent decades, renovated by the emergent "neo-Marxist" social-science scholarship based largely in the First World. As I see it, the label of "critical" allows the inclusion of those thinkers and activists who would find Marxist concepts like class exploitation and imperialism indispensable for explaining facets of social reality (e.g. problems of UDC underdevelopment), but who simultaneously for ontological, epistemological and/or axiological reasons, may not deem "Marxism" as the all-embracing and comprehensive theoretical basis for human praxis. It also avoids the problem of "which" Marxism, for there exists many varieties of Marxist thinking that often engage in bitter factional disputes.

Thus my global open-ended designation of "critical" encompasses such varying perspectives as the "liberation theology" initiated by "rebel" clergy in Latin America (Gheerbrant, 1974), the radical-humanism of an Alfred McClung Lee(1978) or Noam Chomsky(1973), the "democratic socialism" of a Michael Harrington(1977), the Frankfurt-school "critical theory" of say Marcuse or Habermas (Shapiro,1972), and the total Marxist commitments of scholar-activists like Andre Gunder Frank, Ernest Mandel, or Monthly Review's Sweezy and Magdoff. Certainly on various issues of theory, ontology, epistemology, axiology, and strategy of viewing and changing the world, there are and would be disagreement and controversy among such varying "schools". But from the perspective of this study, it suffices to note that at least on the basic paradigmatic themes of underdevelopment, a concensus is detectable. It is this concensus which is referred to here as the "critical paradigm" and which stands incommensurably opposed to modernization perspectives on Third World problems.

Confronting Modernization Analysis

Prior to delineating the major themes of the critical paradigm, it is relevant to note that at least one component of critical analysis has focussed on exposing the paradigmatic assumptions and theoretical deficiencies of modernization literature. Thus Rostow's "stages of growth" theory was shown by Baran & Hobsbawm(1961), Gustafson(1961) and Frank(1970b:39-47) to be empirically and theoretically reductionist, using static unilinear criteria to distinguish between "stages" that distort the historical and political-economic dynamics of societal development. But most importantly, Rostow fails to analyze the historical impact of DCs upon UDCs and explain why "take-off" into "self-sustained growth" has not occurred despite this contact -- a failure rooted in his rejection of Marxist understandings of imperialism.

As for modernization sociology, Frank(1970b) has seminally exposed the empirical and theoretical errors of the "tradition-modernity" pattern-variables model. For instance, "modern" DCs are not free of particularism, ascriptivism, or functional diffusiveness. Most crucially, by apportioning uniform weight to social roles in "development", these theorists neglect the disproportionate influence wielded by elite political and economic roles. This latter bias is rather obvious in Inkeles's study "Becoming Modern", in which it is "modernized individuals" who count in "development". Inkeles never asks whose interests are best served by UDCs having such "modernized" individuals, nor consider the facts of worker-exploitation in the "modernizing" factory. In her recent review, Gendzier(1979) noted the subjectivistic psychologism used by Inkeles to explain "development", while critical political-economic and historical factors shaping individual change are ignored.

Finally, similar criticisms of reductionism, a-historicism, ethnocentrism and neglect of class hegemony (including international relationships) in the literature of modernization psychologists or political scientists, have been made by Bodenheimer(1970), Bernstein(1970), Rhodes(1968) and Frank(1970b:74ff). In sum, when scrutinized through the lenses of critical concepts, the modernization theories nurtured in the "prestigious" halls of Harvard, Stanford, MIT or Princeton really provide more ideological "camouflage" for the vested interests of ruling elites than enlightenment on Third World problems. To understand the roots of underdevelopment, one must turn to the basic themes and conceptual tools of the critical paradigm.

Critical Paradigmatic Themes

Four salient themes can be discerned in the critical paradigm. First, it is maintained that present political-economic and socio-cultural realities of underdevelopment cannot be adequately explained without taking into account the historical growth of capitalist relations of production on a world scale, encompassing mercantilist and then colonialist imperialism. Secondly, the reproduction of these international capitalist relations of production in the post-"independence" era has perpetuated political-economic and socio-cultural dependency rather than ushered in autonomous development. The third theme is that the structures of dependency, of "imperialism without colonies" or of neo-colonialism , are sustained by unequal and exploitative class relationships within UDCs and the international collaboration between ruling-classes of DCs and UDCs. Fourthly, to critical analysts, geniune development for UDC masses can only begin to occur with the replacement of modernization policies and programs by revolutionary theory-and-practice which, in its most ideal expression, fosters humanistic, democratic, egalitarian modes of inter-national and intra-national economic production, distribution and exchange, political participation, and socio-cultural development. As I had elsewhere elaborated vis-a-vis the first three themes,

> underdevelopment does not result from missing internal factors per se, nor is the First World's role beneficient. Rather, underdevelopment is a dynamic process involving internal structures of class inequalities, reinforced by external structures of First World dominance in global political economy. This process, indeed, dates back some five centuries during which, as the First World developed, the Third World was being underdeveloped.
>
> The Iberian plunder of Latin American bullion, followed by the sugar and coffee plantations with further decimation of native populations; the horrendous slave trade which denuded Africa of countless peoples in a trail of social devastation; the global scramble for colonies and spheres of influence as an expanding First World capitalism sought sources of raw commodities and markets for their manufactures, necessitating exploitation of indigenious industries; all these events not only reflect the historical roots of Third World underdevelopment, but also follow a logic that continues to underpin current relationships between rich and poor nations.
>
> Despite...(and) since independence...new forms of First World dominance have evolved... (The)indigenious elites who took over were essentially prepared to decolonize on terms that preserved the political-economic interests of the former First World rulers.

> Furthermore, the new ruling-classes are characteristically commited to fulfilment of their ostentatious consumption rather than to the basic needs of their peoples. Repressive government is the rule, necessary to maintain the stability amenable to foreign profit-seeking concerns (Toh,1977:6)

In brief, the key conceptual tools for critical analysis focus on the interrelated concepts of "dependency" and "imperialism".

Dependency, Imperialism & Underdevelopment

Despite disregard, contempt or dismissal as ideological polemics by modernization circles, critical development theorizing has over the past two decades witnessed rapid growth and consolidation. This was due partly to the efforts of individual critical scholars, partly to the emergence of collectives challenging mainstream social science, and partly to expanded publishing opportunities in various critical media. One of the earliest theoretical efforts came from Stanford Marxist economist Paul Baran, whose work, coinciding with Cold War hysteria, met the full force of "academic repression"(Sweezy & Huberman,1965).

In his classic study on the "political economy of growth", Baran(1957:264-401) analyzed the historical process of capital-accumulation by DCs in UDCs via outright plunder, unequal trade, land seizures, manipulation of pre-capitalist production/distribution systems for surplus-value extraction, destruction of local industry, severe exploitation of UDC (largely peasant) labor, penetration by foreign firms (especially in raw-materials extraction), and in order to sustain these accumulation processes, the instituting of legal, market, infrastructure and administrative facilities. Such "roots of backwardness" in turn produce a "morphology of backwardness", characteristic of a stunted, distorted,dependent capitalism. Thus there is high dependence on agricultural-surplus accumulation based on extreme exploitation of peasants, on non-food cash-crop cultivation for DC needs, on an over-consuming under-investing land-owning class, and on stagnant productivity. A monopolistic indigenious industrial sector grows up ., overprotected by government and neither linking dynamically with agriculture nor expanding the internal market. And foreign enterprise underdevelops the economy -- draining abroad surplus and non-renewable natural resources without creating much employment or re-investment; fostering a self-serving comprador business class who in collaboration with feudal land-owners and military elites, uphold repressive political status-quos with the aid and approval of DC governments and private enterprise.

In greater detail and with more specific historical concreteness, the dialectics of underdevelopment so seminally observed by Baran have now been well articulated by a growing body of critical analysts. One prominent example is Andre Gunder Frank, whose historical and political-economic analyses of Latin America yielded a model of the world as a chain of metropolis-satellite linkages that relate (internationally and intra-nationally) metropolitan centers with satellites. Through these constellations of linkages, economic surplus is continously appropriated from satellites (local, regional, international) to metropoles (local, regional, international), thereby fostering and sustaining the "development of underdevelopment" of UDCs and the concomitant development of DCs (Frank,1969; 1970a: 3-17). Other Latin American dependency theorists like Dos Santos(1969) and Cardoso(1972) have stressed more the internal dynamics of Latin America's dependent role within world capitalism. Still, they essentially share with Frank the critical theme that underdevelopment is rooted in DC economic hegemony. For even when new forms of capitalist expansion have stimulated some technological-industrial growth, it is of a "dependent" capitalist variety with serious anti-developmental consequences.

The phenomena of dependency and "development of underdevlopment" in other UDC regions have also emerged through such scholars as Rodney, Amin and Wallerstein. Rodney(1972) has documented the historical penetration by European capitalism into Africa, and the decisive underdevelopment effects of pre-colonial and colonial modes of exploitation. Amin(1973) likewise shows how previously autonomously-developing traditional African societies lost their autonomy under the impact of mercantilism and colonization perpetrated by the capitalist centers, and became integrated into the world capitalist system as dependent peripheral societies. And a growing body of critical analysis has empirically validated the critical paradigmatic themes for regions like the Carribean (Beckford,1972; Girvan,1973), Southeast Asia(Catley,1976; Bell & Resnick, 1970), West Africa(Amin,1973), and South Asia(Blackburn, 1975;Gough & Sharma,1973), and for specific UDCs like Kenya(Leys,1974), the Philippines(Pomeroy,1974), Tanzania (Shivji,1976), South Korea(Breidenstein,1975; McCormack, 1977), Indonesia(Taylor,1974; Payer,1974), and Brazil (Ackerman,1971; Evans,1974).

Note too should be taken of two more recently influential general frameworks for understanding dependency and underdevelopment. To begin with, Amin(1974) has distinguished between two systems of capital accumulation. The "self-centered" system (which developed in DCs and also in USSR and China) is based on dynamic linkages between production of "mass" consumption goods and that of capital goods needed to produce those consumption goods. The "peripheral" system began, however, with an export-enclave form of capital-accumulation, exploiting cheap labor and maintaining backward productive forces in the rest of the economy. Later,a small internal market emerged, but concentrating on luxury elite goods at the expense of mass-consumption goods. Thus peripheral industrialization is primarily oriented to elite consumption and foreign exploitation. This peripheral system of capital-accumulation leads to mass marginalization and the symptoms of underdevelopment earlier described.

Parallel to Amin's world accumulation model is the world-system framework proposed by Wallerstein(1974,1977), who argues that there exists today a single world economic system--capitalism, initiated in the 16th century, and spreading to include the whole world three centuries later. Within this world-capitalist system,unequal exchange between "core" States and "periphery" States occurs propelled by the sine qua non of capitalist production to realize profits on a world market. As Wallerstein graphically puts it, the major aspect, in terms of human suffering,of this "modern world society" is the inability of UDC rural economies to meet basic-needs of all their masses--thus, in the near future, "millions will die of quick starvation. Millions more will die of slow starvation."

Thus far, the central conceptual tool cited in the discussion has been "dependency". It is not, however, the only one necessary, since analyzing dependency simultaneously requires the concept of "imperialism". In the critical paradigm, imperialism refers to the political-economic and socio-cultural penetration of DCs into UDCs that conjoins with internal societal dialectics to create the condition of dependency. Lenin(1916) in his classic study had identified imperialism as the "highest stage of capitalism", characterized by monopoly's decisive role, the merging of industrial and finance capital, predominance of capital export over goods export, sharing of the world market by competing international capitalist monopolies, and completion of territorial division of the world among the biggest capitalist powers. Since Lenin's study, Marxist scholarship has attempted to update or revise its statements in the light of further empirical evidence and changing conditions of world capitalism. Though the debate still continues(Owen & Sutcliffe,1972), one of the most persuasive contemporary discussions has come from Magdoff (1969,1972). In the "new imperialism" or "imperialism without colonies", the key motive force for DC capital-exports worldwide is the inherent imperative of monopoly capital to seek out, stake out, expand, secure access to and maximally or strategically control markets and sources of raw materials to their ultimate, long-term, global advantage--an imperative fostered by DC governments who seek to ensure as safe an international environment as possible for their industrial and financial MNCs. This is accomplished by maintaining historically established unequal systems of exchange and international division of labor through cooptation of UDC ruling-classes, preempting internal radical social change, and political-economic influence via aid relations --in other words, perpetuating "dependent" peripheries. In sum, dependency and imperialism are complementary concepts for understanding the internal and external causes, dialectics and consequences of underdevelopment.

Last but not least, lest the foregoing summary of critical development literature gives the appearance of "unanimous" theorizing, it bears reminding that while critical analysts would concur on basic paradigmatic themes, they too do diverge on specifics of explanation or of strategy for action. Two prominent illustrations are the debate among "dependency" Latin Americanists like Cardoso, Sunkel, Dos Santos, and Frank(O'Brien,1975; Chilcote,1974), and the critique of "dependency" theories by Marxists stressing more traditional analytical categories such as imperialism or mode and relations of production (Fernandez & O'Campo,1974; Sternberg,1974; Laclau,1971). Even Frank (1972,1974), in the light of such criticisms, has shifted his conceptual ground to intra-national and international class-analysis in the global context of capital-accumulation. Finally, amidst the earlier noted debate over adequacies of Marxist theories of imperialism (Kemp,1972; Brown,1972; Sutcliffe,1972), there is the interesting question of whether a concept of Russian "social imperialism" might not bear consideration. This has been suggested in the work of Brown(1974:285ff) and Galtung(1971,1976), but rejected by others like Gilbert(1974). With the current brutal Soviet intervention in Afghanistan, certainly the question of "social imperialism" deserves more salient consideration.

Development through Revolution

It is now necessary to take a closer look at the fourth critical-paradigmatic theme, earlier stated as follows:

> that geniune development for UDC masses can only begin to occur with the replacement of modernization policies and programs by revolutionary theory-and-practice which in its most ideal expression, fosters humanistic, egalitarian, democratic modes of international and intra-national economic production, distribution and exchange, political participation, and socio-cultural development.

Compared to the first three paradigmatic themes, which focus on explanations of underdevelopment, this fourth theme is less elaborated,albeit of increasing importance. It can be analyzed into two interrelated and overlapping components--(a)what is the proper revolutionary strategy required to initiate a radical breakaway from the hegemony of imperialist and allied forces? ; (b)what constitutes a proper "development" strategy once revolutionary forces have attained political power?

Breaking away. With regard to component (a), the need for revolution by the oppressed masses before "development" can proceed is universally accepted by critical analysts, based on the assumption that the power-elites of world capitalism(UDC and DC) are not about to willingly and peacefully relinguish their power and privileges. Frank (1969:318), for instance, is unequivocal about the means: "for (the Latin American masses)...the only way out of... underdevlopment is armed revolution leading to socialist development." The Dutch scholar, Wertheim(1974:326) concludes that "in many countries, there is no outlook for true development except through a radical social revolution." This sentiment is shared by members of the Latin American "rebel" church in defiance of ecclesiastical authorities(Gheerbrant,1974), ranging from the explicit involvement of priest-guerrila Camilio Torres(1976) to the implicit empathy for just liberation struggles held by Dom Helder Camara(1979:172ff), Archbishop of Recife in grossly underdeveloped northeast Brazil. For India, Desai(1970) argues that "the struggle for existence is necessarily in the end a struggle for power" via a socialist revolution.

In practice, of course, how a revolution is to be successfully waged depends not on vague utopian appeals to "revolution" and "socialism". The question of strategy is a complex problem, necessitating as Leys(1977:98,100) argues, analysis of

> the potential class forces on which a revolutionary struggle can be based,...the contradictions which condition and are developed by the struggle...a strategy or organizational forms of struggle...(i.e.) a class struggle conducted in the framework of a particular inherited structure of productive relations, forms of exploitation and exchange relationships, and a particular structure of relations of political and ideological domination, internal and external etc.

In this regard, lessons, insights and inspiration have come partly from the experiences of revolutionary leaders and activists, including Mao(1937), Fanon(1963), Guevara(1967) and African liberation leaders like Mondlane(1969:101ff) in Mozambique and Cabral in Guinea-Bissau(McCollester,1973).

Critical debate has also centered on the need to dialectically relate the "political" and "military" components of liberation struggle(Huberman & Sweezy,1968) rather than dogmatic, reductionist stress on military violence as in Debray's(1967) "guerrila foco" strategy for Latin America. In the South Asian context, class analyses have demonstrated the considerable complexities and difficulties of successful revolutionary strategy, stemming from factors of ethnicity, caste, the lack of "external enemies", and the fractionation of Marxist-based parties all claiming revolutionary "correctness" (Gough & Sharma,1973). Then, not least, there is the important debate over the feasibility of a "peaceful transition" to socialism, engendered by Allende's abortive democratic experiment (destroyed by a military coup with U.S. and DCs' complicity), and the lessons to be drawn for future socialist struggles(Sweezy & Magdoff,1974; Gittings,1974).

Mass development. With regard to component (b) of the fourth paradigmatic theme, namely what constitutes a proper development strategy once revolutionary forces have gained political power, the critical paradigm is even more tentative and limited in scope. This is a reflection of contemporary political realities, for the bulk of UDCs are still entrenched within the dependency-imperialism complex, and on balance, there have been more abortive revolutionary struggles than those that have at least attained political victory and the power base from which to launch development.

Hence, not surprisingly, most attention has focussed on two continuing socialist revolutions that to date have presented geniune development achievements, namely the Chinese and Cuban revolutions. The notion of "continuing" is important, for most within the critical paradigm recognize that attaining political power is only a first step. Whether or not development then proceeds and continues to do so remains to be judged by the revolutionary processes undertaken, their objectives and their consequences.

In this regard, the Russian Revolution--although a vital factor in the birth of the Chinese and Cuban revolutions via material support and Marxist-Leninist ideology --is now generally regarded as non-exemplary, if not anti-exemplary, in providing guidelines for UDC mass development. This stems from the historical evolution of Leninist theory-and-practice under various specific internal and external forces that conjunctured to yield not a revolutionary society geniunely transitioning to socialism, but a distorted State bureaucratic mode of socialism with a new "ruling-class" controlling exploitative relations of production (Sweezy,1977; Chavance,1977; Sweezy,1978). In "development" terms, the Soviet planning model espoused the following themes: agriculture subservient to industry's needs; heavy industry(producer goods) prioritized over light consumer-goods industries; stress on large-scale integrated and specialized plants; reliance on hierarchical production organizational forms and on material incentives.

It was left to the Chinese revolutionaries, led by Mao, to prove in practice the mal-developmental consequences of the Soviet model, and to implement (during the liberation struggle, and after liberation) the mass-line model embodying many constructive lessons for UDC development. Much critical literature is now available on the history of that liberation struggle and the dialectics of Chinese development since 1949 (Han,1976; Gray,1974; Gurley, 1975; Wheelwright & McFarlane,1970; Selden,1969; Bettelheim,1974; Hinton,1972; Magdoff,1975), and it suffices here to merely summarize some development-strategy highlights. The most basic lesson is doubtless the successful liberation mass-struggle that initiated a sharp break with dependency and imperialist linkages, and eliminated elite classes monopolizing production and distribution of resources (e.g. radical agrarian reform; nationalization of industry; expelling foreign exploitation). This thoroughgoing transformation of the Chinese class-structure at liberation, together with popular mobilization of mass energies and enthusiasm, allowed the processes of autocentric development to begin and meet mass basic-needs.

The ensuing decades, of course, witnessed many twists and turns in Chinese development-strategy. Essentially, they centered around the struggles between the "Soviet-style" planning mode(cf. 1951-56; Lui Shao-chi era, early 60's), which prioritized urban industrialization at the expense of agriculture, encouraged over-bureaucratic centralization, and socially favored elitist consumption over mass basic-needs; and the "mass-line" strategy(cf. Great Leap Forward; Cultural Revolution), which sought to balance rural agricultural with urban industrial growth, consumer and basic production, technological self-reliance and importation, moral and material incentives, and "mental" and "manual" labor. And of late, the post-"Gang of Four" era and Teng's reascendancy have evoked controversial debate --denounced by some critical analysts as "capitalist revisionism"(Bettelheim,1978a,1978b; Yates,1979), defended by others as not anti-developmental and realistic, if socialist development is to viably continue rather than regress into dogmatic "vulgar politicism" (Burton,1978; Chen,1978; Leiken,1978; MacEwen,1978; Robinson,1978).

Obviously, any conclusive verdict must await time and practice. What matters is that, whatever the outcomes of the "struggles" within Chinese socialism, several Chinese development tactics have emerged from those struggles with undeniably constructive lessons for UDCs. These include the equitable mass-centered health-care system (Sidel & Sidel,1973; Frankenburg & Leeson,1974); the self-reliant "walking-on-two-legs" policy for scientific and technological development,based on both intermediate and heavy basic industry and encouragement of rural industrialization (Rifkind,1975; Riskin,1971); the equity-oriented utilization of Green Revolution techniques (Stavis, 1971); the socialist planning systems that seek to transcend market-price profit-centered determination of resource allocation or income distribution (Robinson,1975; Wheelwright & McFarlane,1970:129ff), and not least various Cultural-Revolution reforms of education to link it firmly to mass-development needs, such as relevant curriculum, work-study integration, youth-to-countryside campaign, and increased access for poorer classes (Seybolt,1972; Mauger, 1974).

The overall achievement of the Chinese development-strategy thus has been the ability to meet the most basic needs of its 800 million people. This achievement stands in sharp contrast against the record of say, underdeveloped India, where modernization policies have produced indicators of economic growth, equity, provision of basic necessities, economic self-reliance, employment and literacy inferior to China's performance(Weisskopf,1975). Indeed, in recent years, even modernization elites including Harvard's Dwight Perkins(1978), Brooking's A.Doak Barnett(1979:32), and Rockefeller Foundation's Sterling Wortman(1975) have conceded the fact (albeit not the revolutionary basis) that China is successfully "meeting the basic needs of the great majority of its people." Naturally, given the modernization paradigm's antipathy to capitalist-transcending paths, these mainstream experts can only cite China's achievments divorced from the prerequisite revolutionary process.

Turning now to the other most visible model of Third World development, the Cuban Revolution, it is seen that the basic principles of socialist development implemented once liberation was won share much common ground with the Chinese experience. Wide-reaching agrarian reforms which redistributed rural resources to poor peasants and abolished the rural bourgeoisie; nationalization of U.S.owned properties and large enterprises; equitable mass access to social services(e.g. health,education) -- all these dependency-breaking policies laid the foundations for initiating mass-oriented development strategies in both industry and agriculture (Huberman & Sweezy,1969; Gutelman, 1972a,1972b). Though various factors (e.g.U.S. blockade, island resource limitations, "brain-drain") aborted the initial attempts at industrial-agricultural diversification and led back to reliance on agricultural specialization (sugar,cattle), this dependence on a few agricultural crops has not generated typical UDC underdevelopment. For in the Cuban socialist context, growth gains from increased productivity are equitably distributed to reduce the rural-urban and rich-poor gaps inherited from two centuries of Spanish and then 50 years of U.S. imperialist domination (Barkin,1973).

Thus, just as for the Chinese model, the critical literature has identified constructive lessons in such Cuban advances as eliminating illiteracy and reshaping education to serve development and build the socialist person (Valdes,1972; Leiner,1973; Huberman & Sweezy,1969: 22ff), and providing equitable health care for the masses

(Leyva,1972; John,1971). Such advances, like the Chinese achievements, demonstrate the profound possibilities for meeting at least the basic-needs of all citizens once the imperialism-dependency complex has been broken, in contrast to the rhetoric-laden but impotent containment tactics of modernization. At the same time, critical analysts are also frankly aware of problems in Cuba's transition to socialism, such as disparate resource allocation, over-ambitious targets and ad hoc planning(Huberman & Sweezy, 1969:154ff), the issue of moral versus material incentives (Silverman,1973), potential elitism in educational tactics (Bowles,1972), and the complex issues of foreign-policy, as in the Angolan struggle which also bears on China's international role(Nwafor,1976; Kissinger,1976). Such awareness, however, is not the kind of simplistic citation that modernization analysts employ to denigrate socialist development experiments. Rather it is a necessary contribution to the pool of revolutionary insights that could be of use to other liberation efforts.

Finally, besides the Chinese and Cuban experiments, critical appreciation has also begun of those few other UDCs which to date have sought to breakaway from the imperialism-dependency complex. They include North Vietnam (Gough,1978; Gordon,1978), North Korea(Brun & Hersh,1975; White,1975), and Mozambique under FRELIMO (Saul,1973;1974). Without denying the manifold difficulties of transition and even reverses or setbacks of all these transitional experiments, nor the need for continuing critical appreciation, their increasing ability to meet mass basic-needs lend further credibility to the critical paradigm. In 1949, after winning liberation, Mao had declared: "the Chinese people have stood up! ". Certainly, as the foregoing discussion has sought to show, the modernization paradigm is not aimed at helping oppressed UDC peoples to "stand up" and march forward in and for human dignity. Nothing less than a revolutionary-liberation strategy authentically based on the basic critical paradigmatic themes will suffice. But certainly too, long-run Third World development prospects cannot be divorced from the necessary structural transformation of DCs, to yield societies created in the logic of developing human-beingness than of profit-selfishness.

U.S. HEGEMONY IN THE THIRD WORLD: FROM OPEN-DOOR TO CONTAINMENT

In his first major foreign-policy speech at the University of Notre Dame on May 22,1977, President Jimmy Carter proclaimed as follows:

> I believe we can have a foreign policy that is democratic, that is based on fundamental values, and that uses power and influence, which we have, for humane purposes...For too many years, we've been willing to adopt the flawed and erroneous principles and tactics of our adversaries, sometimes abandoning our own values for theirs. We've fought fire with fire, never thinking that fire is better quenched with water. This approach failed, with Vietnam the best example of its intellectual and moral poverty. But through failure, we have now found our way back to our own principles and values...By the measure

> of history, our Nation's 200 years are very brief, and our rise to world eminence briefer still. It dates from 1945 when Europe and the old international order lay in ruins. Before then, America was largely on the periphery of world affairs, but since then we have inescapably been at the center of world affairs...(Carter,1977:776ff, emphasis added).

It is quite true, as the concluding sentences say, that U.S. global dominance dates from 1945. But as a whole, Carter's statement provides a mystified and distorted view of U.S. foreign-policy in the modern world. Vis-a-vis the Third World in particular, the U.S. , through the policies shaped and dominated by its ruling-class, can hardly qualify as being "humane" over some two centuries of contact. Nor is Carter valid in blaming the "failure" of Vietnam on a misapplication of U.S. "fundamental values" in reaction to adversaries' evil-doings, or in assuming that a post-Vietnam U.S. has now regained some kind of original goodliness.

In truth, as critical analysts have shown, U.S. hegemony or the fact that the U.S. is now "inescapably... at the center of world affairs", rests fundamentally on an inescapable logic of the capitalist political economy. This is the imperative for incessant accumulation and expansion, an imperative that necessarily assumes global dimensions. But to so locate the roots of U.S. foreign-policy or that of any DC, does not though and should not imply a mechanistic, reductionist approach to understanding imperialism. As Magdoff(1970:20) succintly puts it,

> some popularizers on the Left (who are then expediently attacked as representative of all critical analysts) formulate the issue purely in terms of "economic necessity"--as if every political and military action were in response to an immediate economic cause or to a telephone call from a corporation executive. Such a mechanical cause-effect approach is an oversimplification, an inadequate guide to history, and more rhetoric than analysis....The major task...for the study of imperialism is to discover..."the essential one-ness of (U.S.) economic,political, and strategic interests...

Through this non-reductionist, non-economic deterministic framework, Vietnam thus cannot be understood as a simple U.S. desire to protect its existing investments in or trade with Vietnam, which were both insubstantial. Rather, Vietnam must be explained in terms of the wider imperative of the U.S. capitalist order to maintain/expand its sphere of influence--a natural tendency under any circumstance but which in the post-WWII era was exacerbated by the perceived growing threat of socialist revolution spreading to all parts of the Third World. The capitalist social order now has to confront the emergence and growing strength of "an antagonistic (socialist) social order" (Huberman & Sweezy,1966). At the same time, however, this non-reductionist framework does not deny the natural concern of corporate power-elites in the conduct of the war, or for that matter, any war. As Scott(1974) documented, the financial establishment and certain industrial sectors did or sought to influence governmental decisions on escalation/deescalation policies, in part based on anticipations for expansion into a modernizing post-war Indo-

China (e.g. oil resources), in part on worry about severe negative consequences of further escalation for the U.S. domestic and thereby world capitalist economy. It is this kind of dialectical political-economic analysis by which the historical evolutionary shifts and yet underlying basic continuity in U.S.-UDC relations can be comprehended--from Open-Door policies to the strategy of containment, and as the present study hopes to show, to the emerging advocacy of "global interdependence."

Opening UDC Doors

U.S. hegemony in the Third World began, of course, well before Vietnam, and not all expressions of that dominance necessitated naked military intervention, although many were so since the 1800's(S.L.,1962). Through the 19th century and up to WWII, the primary sphere of U.S. influence lay initially in the Carribean rim(Cuba being paramount) and later over Latin America. The basic policy vehicle was the 1823 Monroe Doctrine, which rationalized U.S. "security" in terms of ostensible anti-colonialism and the limiting of European expansion into the Latin American hemisphere. In reality, the roots of this doctrine drew sustenance from U.S. power-elites' desire for and anticipation of territorial and/or economic expansion into the area (Petras,1973; Williams,1972:23ff). The Western hemisphere was to be the U.S.'s special province of political-economic interests, increasingly pressured by the need(plus greed) for land and growth of agricultural/industrial surplus. From the 1830's on, various tactics crystallized the basic imperialist nature of the doctrine: territorial annexation; rapidly growing commercial penetration; war against Spain and forced occupation, then neo-colonialism of Cuba; the 1904 Roosevelt corollary legitimizing U.S. military intervention if "necessary" to preserve "peace" and "stability"; increased U.S. investments promoted and protected by U.S. political and armed clout.

After WWI, U.S. economic hegemony per se increased dramatically in trade and investment levels compared to European DCs, and though Roosevelt's "Good Neighbor Policy" downplayed the Monroe Doctrine's crude interventionism in favor of multilateralism and cooperation, it constituted no radical break with imperialistic logic. It was really more a change in style in response partly to Latin American nationalism, and facilitated by institutionalization of collaborative client UDC regimes amenable to U.S. investment, trade and aid terms(Petras,1973: 73ff). Following WWII, the U.S. finally assumed dominant economic hegemony vis-a-vis its DC rivals and U.S. investments expanded from traditional mining/agricultural sectors into industries as well. In short, over one and a half centuries, relations between U.S. and Latin America were conducted along an imperialist logic to keep Latin America "open" to U.S. political-economic interests. For Latin American masses, sucn relations have contributed to the development of their underdevelopment.

Besides Latin America and the Carribean, early U.S. hegemonic expansion mainly focussed on the Far East. There, U.S. imperialism was formally initiated with the Spanish surrender in 1898 of the Philippines and a brutal pacification campaign that Francisco(1973) terms the "First Vietnam", followed by 48 years of U.S. colonial rule. However, the Philippines were initially seen more as a base to penetrate the hoped-for Chinese market,rather than to be exploited per se (Pomeroy, 1974).Besides , domestic U.S. agricultural interests with Carribean plantations sought to restrict competition from the Filipino colony. But with the post-WWII supremacy of U.S. capitalism, the Philippines soon assumed substantial neo-colonial significance in itself and for facilitating U.S.economic expansionism over Asia. Conditions for Filipino independence thus assured deepening U.S. economic penetration, Filipino dependency, and U.S. military hegemony. With the collaboration of local elites and concomitant suppression of mass-liberation movements, the U.S. now controls virtually every strategic sector of the Filipino economy. While such domination yields lucrative profits to U.S. MNCs, it instrumentally worsens Filipino mass-poverty, exploitation, and other underdevelopment consequences.

Elsewhere in Asia, since the late 1800's,U.S. attention had naturally turned to China. The object of intense inter-imperialist rivalries,China was forced to yield concessionary spheres of influence to various DC powers after its defeat in the 1895 Sino-Japanese War. The U.S. "Open Door" notes of 1899/1900 sought to regulate this rivalry and assure the U.S. its equal opportunity to participate in exploitation of the Chinese economy (Williams,1972:50ff). And through the 20's and 30's, the U.S. tried to expand/ protect its expansion opportunities in China via promising Japan a generous share in gains from future Chinese "development" and U.S. help in checking Chinese revolutionary nationalism. This cooptation of Japan into the U.S. imperial scheme, with the assent of European powers, continued until 1941, when the U.S. had to go to war to preserve the Open Door(Williams,1972:144ff,192ff). The U.S.'s ignoring of Sun Yat-sen's appeals for help and later support for Chiang during the Civil War, including dogmatic rejection of Mao's proposal for a peaceful transition, likewise reflected the desire for an exploitable capitalist status-quo in China(Williams,1972:146; Han,1972b:146ff; Gittings,1968). Just as in Latin America, the U.S. sought in the Far East to keep UDCs open for U.S. capital accumulation.

Containment

In effect, the "Open Door" rationale served as the motivating and ideological framework for the increasing U.S. economic expansion worldwide through the 19th and into the 20th century (Williams,1969,1972; Gardner,1969). Successive Administrations of corporate-recruited or corporate-minded power-elites, with the vital interests of

U.S. capitalists at heart as well as the internalized commitment to capitalism as the only "good" and "right" way of life, argued for foreign policies that would promote U.S. trade and investments, assure sources of raw materials, expand overseas markets, and thereby fuel domestic prosperity. It is within this context of the Open-Door imperative that the emergence of the Cold War must be understood. U.S. power-elites, although quite aware of the U.S.'s superior power vis-a-vis Russia and of Russian post-war pre - occupation with domestic reconstruction, aggressively opted for inflexible confrontation tactics--over Eastern Europe and war reparations, and use of the A-bomb on Japan to "end" the war and "thereby stop the Russians in Asia, and to give them sober pause in eastern Europe"(Williams, 1972:206-275). With the formal announcement of the Truman Doctrine on March 12,1947, the American masses were served for the next three decades by their power-elites with foreign policies ostensibly justified on grounds of defending "free peoples" from "totalitarian regimes"(Truman,1947). Thus some 20 years later, Secretary of State Dean Rusk(1966) was calling for containment of China. Much as it had been essential to "contain" Soviet "aggression" in Europe, so China was now identified as the "aggressor" in Asia--a stance endorsed by such elite officials and advisers as Clifford, Acheson, Harriman, Rostow, McCloy and Bundy.

But in order to truly understand the Cold War, one must look beneath the surface of anti-Communist hysteria.

There flows the deep current of ever-expanding monopoly capital, incessantly moulding the inner contours and the outer limits of U.S. foreign-policy. Just as through the rise of U.S. imperialism, so too in the post-WWII period was American foreign policy "initiated, planned, and carried out by the richest, most powerful, and most international minded owners and managers of major corporations and financial institutions", while other sectors like Congress, the military, or "public opinion" have exerted little influence(Domhoff,1969). As later elaborated, there is a discernible process by which such domination of foreign-policy by corporate power-elites occur, including especially through the leverage wielded by elite associations like the Committee for Economic Development(Eakins, 1969) and the Council on Foreign Relations(Shoup,1975,1977). It remains in this part of the discussion to summarize the major interrelated components of U.S. "containment" hegemony over UDCs.

The politico-military tentacles. An indispensable buttress of U.S. global dominance is the pervasive U.S. politico-military presence in UDCs, whether it be outright bases, overt or covert military or "intelligence" intervention, or the imperative of military aid and arms sales. As of January 1970, the U.S. had some 429 major military bases and 2972 bases in 30 countries costing almost $5 billion a year(Parenti,1971:215), while security intelligence gathering coupled with covert political intervention mushroomed under CIA auspices(Agee,1975). U.S. military aid has been and still is a significant proportion of U.S. foreign aid. Though concentrated first on Soviet-Chinese peripheries or "forward defense" nations, military aid was soon generalized to all "free world" regions--comprising hardware(e.g.weapons) and software(e.g.expert-advisers; police and counter-insurgency training), and mechanically justified by U.S. power-elites as a "stabilizing" prerequisite for "economic development"(Klare,1972; Siegel, 1974; Stein & Klare,1974). And since 1969, when the Nixon Doctrine advocated greater reliance on local UDC military capacities, U.S.arms sales to UDCs have spiralled. As Deputy Defense Secretary David Packard(1970:31) argued before the House Foreign Affairs Committee for increased U.S.military credit assistance,

> in the future, sales to less developed countries will increase because in response to the Nixon doctrine, the U.S. will attempt to provide military capability to these countries, when asked and when in our national interests, by either granting or selling.

With regard to covert or overt U.S.politico-military intervention in UDCs, the critical literature is now replete with evidence and exposes. Prominent examples span acts of covert(CIA) support for the ovethrow of populist-reformist governments, as in Iran-1953(Jandaghi,1973), Guatemala-1954 (Horowitz,1971:160ff), or Brazil-1964(Watson,1977); counter-revolutionary operations which aborted as in the 1961 Bayof-Pigs invasion of Cuba(Horowitz,1971:194ff), are continuing as in Thailand under various military juntas(Thaxton, 1973), or succeeded as in the downfall of Allende's radical Chilean experiment (Agee,1977:255; Borosage & Marks,1976); and direct military intervention, as in Korea(Horowitz, 1971:110ff), the Dominican crisis of 1965(Goff & Locker, 1967), and the nadir of U.S. counter-revolutionism,Vietnam (Kolko,1969:88-132; Horowitz,1971:135-159). With the debacle in IndoChina and its domestic repercussions, however, it is likely that U.S. power-elites would be most circumspect about intervening in future "crises" with massive U.S. ground-forces. Granted, in the normal flux of human affairs, future military intervention can never be totally discounted, especially when the future promises even more contradictions for monopoly capitalism. But more probably, continued U.S. politico-military intervention will emphasize an integrated strategy of economic manipulation (e.g. aid, trade "sticks"), political destabilization, and build-up of local UDC repressive capacities--such as happened in Chile,1973-- as well as multilateralization of armed intervention (e.g.use of Moroccan mercenaries in the recent Zairean crisis)and nurturing of some UDCs for regional "policing" duties (e.g.Brazil, Indonesia, and until lately, Shah's Iran).

The economic appetite. The spreading of U.S. politico-military tentacles all over the Third World does not, however, exist in and for itself. It has been ultimately geared to facilitate and protect the vociferous appetite of U.S. capitalism, the inherent need to expand and accumulate globally. Indeed, the U.S.'s ascendancy to the role of First World international "policeman" was concomitant with its rise to economic predominance after WWII. By 1969, the U.S.'s GNP of $1000 billion equaled that of all other DCs combined, triple that of all UDCs together, and some 33 percent of world GNP(Newfarmer & Mueller,1975:5). Through this century, U.S. foreign direct investments have grown along a sharply rising path: in billions, $7.5(1929), $11.8(1950), $32.7(1960), $78.2(1970),and $94(1972) (Newfarmer & Mueller,1975:32). And Table 5 shows the overtaking by the U.S. of its capitalist rivals, especially in post-WWII years.

The regional distribution and types of U.S. investments for 1973 are recorded in Table 6. Thus all UDCs combined hosted around some 28 percent of total U.S. foreign direct investment--a share which because of its relative smallness compared to U.S. investments in other DCs, has led some liberal analysts to argue that ergo, it is "not necessary" for the U.S. to be "imperialistic" to UDCs (e.g. Miller,1970). It should be noted, though, that until 1950 or so, UDCs as a whole actually comprised about half of all U.S. direct private investment, with Latin America the favored region (Weisskopf,1972:430). Thus, historically, just as for European colonial powers, parts of the Third

Table 5: Stock of Foreign Investment by Percentage Distribution for Major Capitalist Economies,1900-1971

Country	Year 1900	1914	1930	1960	1967	1971
U.S.A.	2.0	6.3	35.3	59.1	55.0	52.0
U.K.	50.8	50.5	43.8	24.5	16.2	14.5
France	21.8	22.3	8.4	4.1	5.5	5.8
Germany	20.2	17.3	2.6	1.1	2.8	4.4
Subtotal	94.8	96.4	90.1	88.8	79.5	76.7

Source: Newfarmer & Mueller(1975:31)

Table 6: U.S. Direct Investment Abroad, Yearend 1973, by Area and Major Industry

Region	Total ($ bill.)	Manufacturing (%)	Petroleum (%)	Other (%)
All areas	107.3	42.7	27.6	29.7
First World	74.1	51.3	22.1	26.6
UDCs	27.9	28.0	37.3	34.8
- Latin America	18.5	35.1	23.8	41.1
- Asia & Pacific	3.9	28.2	43.6	28.2
- Other Africa	2.8	3.6	71.4	25.0
- Middle East	2.7	3.7	58.9	7.4

Source: Musgrave(1975:12)

World have been necessarily important to U.S. investors. More crucially, as Magdoff(1970) points out, the imperialism complex cannot be reduced to criteria like size of investments or exports between the U.S. and UDCs. This is because (a) U.S. investments in DC economies are just as dependent upon those economies' stakes in UDCs, and (b)

U.S. firms, by virtue of inter-capitalistic rivalry, must establish beachheads too in UDCs or perish on the rocks of competition. Indeed, even elite lobbying groups such as the Foreign Policy Association has been emphasizing the growing importance of UDCs:

> For the United States, trade with the UDCs--whose imports tend to rise as they industrialize --is now a booming business. In 1977, UDCs bought U.S. goods valued at $42 billion--more than a third of our exports that year--plus $14 billion worth of U.S. services. U.S. exports to UDCs have been growing by 22 percent a year, compared to a 15 percent rise in exports to developed countries (FPA, 1978:39).

The prime beneficiaries of U.S. political-economic hegemony are, of course, the MNCs--the commanding heights of the U.S. domestic economy and the world capitalist system. Of world GNP in 1969($3000 billion), the MNCs of all DCs produced some $450 billion or 15 percent, and during the 60's, MNCs grew much faster than national economies. In 1972, some 57 MNCs ranked among the top 100 largest economic entities (Newfarmer & Mueller,1975:5-7). Within the U.S. economy, by natural capitalist expansion and concentration, MNCs now dominate all sectors of U.S. industry and finance (U.N.,1974:17ff; Clement,1977:316).[7]

For these U.S. MNCs, with their solid dominance over the U.S. economy, foreign operations have assumed increasing importance for their scheme of self-interests. Thus in 1974, for 179 top U.S. MNCs, about $200 billion of their aggregate sales of $540 billion originated in their foreign subsidiaries (Vernon,1977:20). Through the 60's, gross capital formation of all U.S. corporations in foreign operations tripled compared to a doubling of domestic capital formation(Musgrave,1975:17). And even more explosive growth occurred in global operations of U.S. banks, with foreign branches increasing fivefold over 1950-1970 compared to twofold over 1918-1950, and a tenfold increase in foreign branch assets over 1950-1970(Wolff:24,28). Also, only some 17 of the largest U.S. commercial banks control at least 80 percent of U.S. international banking business. Given this importance of foreign operations for their firms' overall prosperity, indeed survival, it is therefore understandable that MNC corporate leaders should have necessary and ongoing concern over the conduct of U.S. foreign policy. And furthermore, given the dominance of U.S. MNCs in the U.S. political-economy, one would expect such concern to readily translate into hegemonic leverage in foreign-policy planning.

The specific importance of Third World regions for U.S. (or any other DC) MNCs have been well analyzed in studies by Magdoff(1969), Kolko(1969:48-87), and Barnet & Muller(1974), and it suffices here to note the key driving forces behind MNC expansionism into UDCs. They include (a) the search for and monopolistic control over raw-material sources and access to cheap steady supplies; (b)the need to expand and corner off markets in the face of fierce inter-capitalistic competition; (c)the lure of lower production costs and higher profit rates possible in "disciplined" cheap-labor and incentive-packed UDC investment environments; and (d)as Sweezy & Magdoff(1975) observe, the complementary growth of U.S. banking to service MNC operations and other international economic activities, plus the natural propensity of banks to maximize profits and protect markets. Thus, contrary to liberal scholarly apologetics about the "non-necessity" of U.S. imperialism, UDCs are very necessary sites of U.S. capital-accumulation, and this fundamental economic imperative is rooted at the base of the Cold-War containment strategy. As noted earlier and as will be elaborated in this study's concluding Section (IV), MNC investments in dependent peripheries yield lucrative returns to DC and UDC elite-interests while fostering mass underdevelopment.

Aid, financial and trade props. Finally, note should be taken of three other essential props for U.S. economic hegemony. To begin with, besides the role of military aid in U.S. political support for U.S. economic interests, the economic dimensions of U.S. foreign-aid have been just as constructive to U.S. global capital accumulation. Thus in the early 50's, when U.S. foreign-assistance became institutionalized through Marshall Plan programmes to keep Western Europe capitalistic, aid to UDCs was explicitly tied to securing raw-material needs of U.S. industries (Loftus,1950; Leviero,1951; Kolko,1969:64). Later, as it expanded under the goal of promoting UDC "socio-economic development", aid became structured to serve U.S. economic interests. Tying of aid in effect promotes exports of U.S. goods and technology, while the PL 480 or "Food for Peace" program serves as an expedient, profitable means of disposing U.S. farm surpluses (Hudson,1971). From first USAID[8] and later the specially created OPIC(Overseas Private Investment Corporation), U.S. investors receive incentives, subsidies and guarantees to expand into UDCs(OPIC, 1978). And in the overall sense, since USAID "development" projects and programmes follow modernization themes, U.S. economic aid helps to foster capitalistic, reformist social environments amenable to imperialist penetration(Goulet, 1971).

Given this instrumentality of U.S. aid in promoting U.S. economic hegemony, it is not surprising then to find an abiding concern of corporate interests over the conduct of U.S. aid policies. This is best reflected in the dominant role of corporate power-elites on the many Presidential Commissions on foreign assistance since 1950. For example, Truman's International Development Advisory Board in 1951 was headed by Nelson Rockefeller (Leviero,1951), who some two decades later prepared an Alliance-for-Progress evaluation report for Nixon(Rockefeller,1969). In 1957, State Secretary John Foster Dulles proposed new aid plans based on commissioned studies led by Benjamin Fairless(former Chairman,U.S.Steel) and Eric Johnston(President, Motion Picture Association)(White,1957).

More recently, there were the influential Perkins Committee for Johnson in1968, and the Peterson Task Force for Nixon in 1970. Perkins has long-standing Rockefeller-linkages while Peterson was then President, Bank of America. Other corporate luminaries on these commissions included David Rockefeller, Eugene Black, William Hewlett, and Sol Linowitz (Bell,1973). Indeed, as later elaborated, the subject of our study, the ODC, had its beginnings in the work of the Perkins commission.

As a result of the Perkins and Peterson commissions, U.S. policies now accord an increased role for multilateral aid via "development" banks like the IBRD, IDB and ADB. Although the advantage of such aid is said to be its higher degree of "political neutrality", there are no doubts among power-elites that multilateral aid will serve U.S. economic interests just as well as bilateral aid. For example, at Senate hearings on U.S. contributions to the Asian Development Bank, corporate elite Eugene Black (as Johnson's Special Adviser on Asian Economic and Social Development) argued that such funding would foster economic modernization and thereby U.S.-UDC trade, while building nations "less susceptible to destructive Communist aggression and ideology." Here, the newly installed military regime in Indonesia is cited as "doing a good job",hence the U.S. is "very anxious to help" (Black,1967:10ff). More recently, Treasury Secretary George Shultz argued at Senate hearings that U.S. efforts through multilateral agencies

> have succeeded (in)...helping to bring out... a climate where private capital has some feeling of security...basically these are profitable opportunities and private capital will go and that is the way it should be (Shultz,1973:36).

In sum, behind the rhetoric of "helping" UDCs "develop", U.S. aid whether of the traditional bilateral or the more recent multilateral variety is really attuned to serving the basic interests of U.S. capitalism: to accumulate and expand.

Last but not least, dominance over the capitalist world financial and trading regimes has provided the U.S. with vital props for its global economic hegemony. Largely organized under U.S. leadership after 1945, these regimes legitimized the supremacy of U.S. interests, safeguarded other DCs' capitalist opportunities, and binded UDCs into international subserviency. In terms of the international monetary system, the Bretton Woods Conference in 1945 gave the U.S. a decisive advantage over UDCs and other DCs by yielding to the U.S. the role of world banker, and the U.S. dollar as the world reserve currency(Hudson,1972:49ff). This hegemonic status has enabled the U.S. to finance its massive balance-of-payments deficit since 1950, incurred in foreign investments, economic-military aid, and military intervention, thereby fuelling post-war U.S. prosperity. In contrast, UDCs, because of (a)their dependent ties within metropolitan currency blocs ultimately tied to the U.S.$, and (b)their inflexibilities and weakness in trading/ industrial structures, are perennially more disruptively affected by balance-of-payments crises than are metropolitan powers with their industrial strength/flexibility and their power to create and expand money supplies (Magdoff,1969:80ff). Furthermore, the U.S. and its DC allies are bolstered in their financial hegemony via their control of the International Monetary Fund(IMF), which exercies leverage on dependent UDCs to behave within the bounds of dependency-fostering capitalist economics (Hayter,1971; Payer,1974).

Likewise, in the international trading system, the U.S. and other DCs also exercise tremendous leverage over UDCs (Kolko,1969:58ff). From colonial legacy and perpetuated neo-colonialism and dependency, UDCs are now heavily dependent on export of primary commodities subject to price fluctuations and the vicissitudes of DC demands, all set within the context of capitalist speculation and manipulation. In this regard, the U.S. has consistently opposed broad-scale commodity agreements with UDCs in order to maintain its trading advantage and to keep raw materials as cheap as possible. Simultaneously, it imposes import quotas and tariff/nontariff barriers on UDC goods so as to protect domestic U.S. producers, and accord them the profitable role of processing raw items(Rweyemamu,1969).

It is thus seen that U.S. imperialism vis-a-vis the Third World can only be explained by a holistic appreciation of its political-economic and strategic "oneness" on an historical and global scale. Through its first one hundred and fifty years of contact with UDCs, the U.S. essentially sought to keep their "doors" open to U.S. economic penetration and exploitation. Then, through two decades of post-WWII years, the U.S. vastly expanded its political-economic hegemony under the guise of "containment" philosophy to become the world's leading military and economic power. Dominance of post-war organized global financial and trading regimes were instrumental props in the U.S.'s rise to supremacy. Other DCs, while embroiled in natural inter-capitalist rivalry with the U.S. and among themselves, accepted the U.S.'s leadership and stewardship role, and shared in unparalleled capitalist prosperity. But UDCs, except for a few successful breakaways, remain entrapped in the imperialism-dependency-underdevelopment complex. UDC masses contributed in sweat and blood to but hardly benefited from this expansion of the world capitalist system. Such continuing suffering of over two-thirds of humanity surely suffices to invalidate President Carter's (1977) claim that U.S. foreign policy is "designed to serve mankind."

Yet, as the U.S. was entering the 70's, the earlier Open-Door policies and the succeeding "Containment" strategy, which had seemed to work so well in initiating and consolidating U.S. hegemony, were beginning to encounter the structural contradictions inherent in capitalism. Since these emergent factors in global political-economy will be treated in detail in Section IV vis-a-vis the ODC's "global interdependence" strategy, it suffices here to briefly cite their existence. Thus capitalist centers are increasingly confronting the problem of UDC "nationalism", ranging from the issue of host-MNC relationships to international political-economic coalitions designed to extract more equitable international distribution. Commodity cartelization efforts, of which OPEC remains the arch but still untypical example, pose or threaten to pose limits on unbridled exploitation of UDC resources. Through U.N. conferences and "non-aligned nations" gatherings, UDCs as a "bloc" have sought a New International Economic Order more equitable to the Third World.

In the second place, the evident failure of the U.S. and other DCs to resolve mass underdevelopment problems in UDCs through two decades of aid and modernization schemes, heralds grave threats to the "stability" essential for continued imperialist exploitation. The moot issue, now, is whether the "new" "poverty-oriented" World Bank model of modernization can achieve better results. And thirdly, the overarching factor through the 70's and into the 80's is the increasing structural crisis of world capitalism. Rooted in the inherent irrationality of the capitalist production mode, this crisis is reflected in the relative decline of U.S. power amidst fierce inter-capitalistic rivalries among DCs, the worsening recession and inflation trends, the instability in world financial and trading regimes, and the aggravated domestic crises of rising unemployment and squeeze in living-standards which in turn make surplus-value realization even more problematic.

Capitalists and corporate-allied elites do not, of course,passively sit out these emergent contradictions in the global political-economy. As human beings imbued with an above-average spirit of aggressive self-defense, they naturally seek to try to "learn" from failures or mistakes. Policies, strategies or tactics are changed or adapted (albeit within the bounds of the capitalist paradigm) to meet these new contingencies. Running ahead of my investigations, for now the following conclusion bears statement --namely, that the formation of the Overseas Development Council in 1969, in parallel with theoretical shifts and new emphases emanating from elite groups traditionally influential in the shaping of U.S. foreign-policy, marks an attempt by U.S. power-elites to transcend "containment" philosophy to a global reordering or interdependence strategy. Such a fresh approach, certainly, would not jettison the capitalist-preserving premises of Open-Door or containment policies; but it would additionally incorporate elements "responsive" to the emergent contradictions and crises within world capitalism. Through this study's intensive analysis of the ODC, it should therefore be possible to spell out the features of such a new strategy vis-a-vis the Third World specifically.

POWER-ELITES AND THE POLICY-FORMATION PROCESS

It its allusion to the dominating role of corporate elites in U.S. foreign policy-planning, the foregoing discussion has implied a particular view of the nature of the U.S. State under monopoly capitalism; that is, who rules America ? , and in part how such ruling occurs. As a prelude to setting out our research methodology, it is pertinent to make explicit these theoretical underpinnings. To begin with, any critical analysis that appreciates concepts like mode of production, class-struggle, and ruling-class must reject the mainstream social-scientific thesis of "pluralism", which sees "power" in capitalist societies as diffused and balanced among multiple centers --in short, denying the existence of a dominant ruling-elite group or class (Dahl,1958,1961; Rose,1967). On the contrary, theoretical-empirical investigations conducted by Marxist and other critical researchers on the capitalist social-class structure have yielded burgeoning evidence that a ruling-class does exist, and that it exerts domination, control or influence over strategic social, political, and economic institutions via a systematic pattern of processes (e.g.Miliband,1973; Domhoff,1967,1971,1979; Anderson, 1974; Clement,1975; Kolko,1962). It is in the tradition of such critical "power-structure" research that this study of the ODC is conducted.

The "Power-Elite" Concept

Critical probing into the U.S. power-structure owes much, in terms of popularization and intellectual inspiration, to the work of the radical sociologist C. Wright Mills. In his classic text, "The Power Elite", Mills(1956) conceptualized three interlocked, unified elite groups holding and exercising power in U.S. society, viz the political directorate, the top corporate executives and directors, and the military elites. In addition, members of top law and investment firms act as "go-betweens" for these elite groups. Needless to say, Mills' work was hardly appreciated by mainstream social scientists upholding pluralism (e.g. Dahl,1958; Kornhauser,1961; Parsons, 1957; Wrong,1956; Berle,1956). More appropos, however, has been the (friendly) commentary of critical or Marxist scholars like Lynd(1956), Sweezy(1956) and Aptheker(1960). One criticism shared in particular by these radical analysts concerns Mills' failure to properly analyze class-relationships within capitalism and hence to identify the structural predominance of his "economic elites" in the U.S. ruling-class--a concept which Mills(1956:277) had rejected as connoting excessive "economic determinism" at the expense of "political determinism" or "military determinism".

In the late sixties, however, G.William Domhoff (1967,1968) was able to take account of this weakness in Mills' formulation by grounding the "power-elite" concept in the radical yet not vulgar-economistic analysis of ruling-class. By so doing, Domhoff's conception of "power-elites" becomes theoretically sounder than Mills' , while at the same time affording a methodologically constructive tool for empirical power-structure research within the critical paradigm. Over the past decade or so, such research has yielded an increasing pool of conceptual and methodological insights into class-rule of U.S. society.

In summary form, the major concepts and findings of various studies by Domhoff(1967,1968,1971,1972,1974, 1975,1979) and other power-structure analysts, which bear particular relevance to this study, are as follows: First, Domhoff established the existence of a ruling(governing) class in U.S. society that comprises members of the uppermost social-class who (a) own/receive disproportionate wealth/income relative to other social-classes, (b)partake of privileged social goods not accessible to ordinary folks (e.g. exclusive education, private clubs), (c)are cohesively (class-consciously) linked via school attendance, overlapping club memberships, upper-class marriages(Blumberg & Paul,1975), and interlocking corporate directorships (Sonquist & Koenig,1975; Dooley,1969; Allen,1974); (d)exercise control or dominance over the major institutions and decision-making processes of the State via top leadership positions such as Presidential Cabinet appointments (Mintz, 1975; Freitag,1975), lobbying and advisory relationships, and extra-governmental elite policy-planning groups. Clearly, the bedrock of ruling-class power is its control over the production and disposition of wealth and income. In the contemporary U.S. social-structure, this means ownership/control over the largest MNCs, banks and investment firms.

Secondly, Domhoff makes an analytical distinction between "power-elite" and "ruling-class". The power-elite is defined as

> the leadership group or operating arm of the ruling-class. It is made up of active, working members of the ruling-class and high-level employees in institutions controlled by members of the ruling-class. It is members of this power-elite who dominate (the governmental processes) (Domhoff,1979:13)

This distinction thus allows for (a)ruling-class members who are non-active in the daily operations of their wealth/income holdings, as well as (b)power-elites recruited from outside the ruling-class to serve institutions controlled by the ruling-class. However, by accumulation of wealth/prestige, the latter group of power-elites can often enjoy more or less integration into the ruling-class (e.g.top corporation managers receiving stock holdings). Furthermore, abundant evidence has confirmed the phenomenon of "elite interpenetration" among power-elites. This refers to the frequent interchanging of roles, especially between government and business sectors(Domhoff,1967:84; Miliband, 1973:112; Clement,1975:346). For analytical purposes, I shall use the term "corporate elites" to refer to power-elites whose long-standing primary affiliation lies with corporations and allied business institutions(e.g.law firms). State-elites refer to elites in government roles.

Processes of Ruling-Class Domination

Power-structure research, however, does not only document the structural contours of the ruling-class. Also important are the "processes of ruling-class domination". Here Domhoff has provided a useful typology of four main processes by and through which the ruling-class seeks to dominant or influence:

> 1. The special-interest process, which comprises the various means utilized by wealthy individuals, specific corporations and specific sectors of the economy in influencing government to satisfy their narrow, short-run needs;
> 2. The policy-formation process, which is the means by which general policies of interest to the ruling-class as a whole are developed and implemented;
> 3. The candidate- selection process, which has to do with the ways members of the ruling-class ensure that they have "access" to the politicians who are elected to office;
> 4. The ideology process, which involves the formation, dissemination and enforcement of the assumptions, beliefs, and attitudes that permit the continued existence of policies and politicians favorable to the wealth, income, status and privilege of members of the ruling-class (Domhoff,1979:10).

Thus the "special-interest process" is manifested in the activities of lobbyists, backroom super-lawyers, trade associations, and advisory committees to government. Such activities promote ruling-class interests via tax-breaks, favors, subsidies, contracts(e.g. military supplies), and advantageous legal or procedural regulations like those dispensed by federal departments and congressional committees. For example, one of the most powerful special-interest corporate groups is the oil-industry, with heavy domestic and international clout. In his devastating critique of the "brotherhood of oil", Engler(1978:139-198) exposed the intimate linkages between the energy industry and public government, especially the industry's dominance over the Interior Department:

> In many respects (Interior) serves as the first line of defense of private industry, and its personnel act as the "fifth column" within public government for keeping prices up, profits secure, and private controls of energy insulated from public accountability (Engler,1978:140).

And in the specific context of U.S. presidential politics, the "candidate-selection process" fails to facilitate geniune policy discussion or enlighten the masses on politics. Rather, it reflects more individual ambitions for "power" grounded by necessity in clique patronage within the power-elite (e.g. via campaign donations). Who becomes President has little to do with the "will of the majority", and elected candidates are heavily dependent upon the advice of corporate elites and elite experts (Domhoff,1969:129-167).

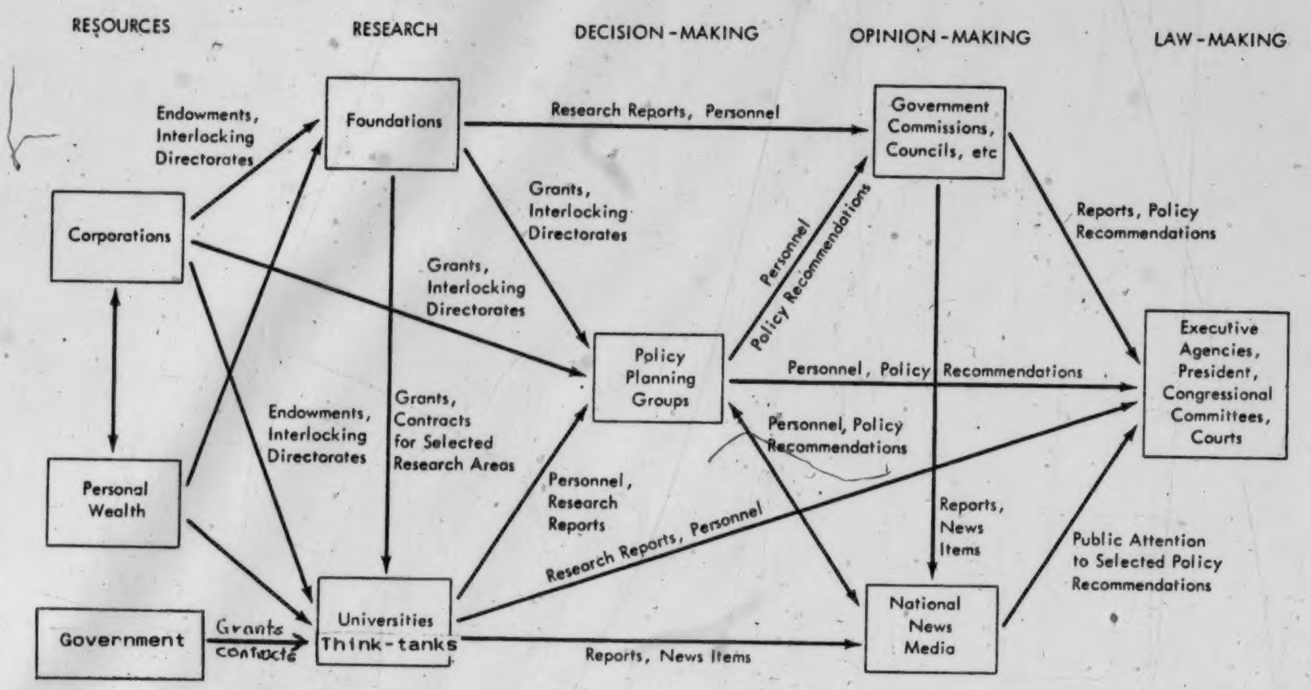
The policy-formation process. It is, however, the "process of policy-formation" and the "ideology process" in Domhoff's model that bear most relevance to the present study. As he puts it,

> the policy-formation process is the means by which the power-elite formulates policy on larger issues. It is within the organizations of the policy-planning network that the various special interests join together to forge, however slowly and gropingly, the general policies that will benefit them as a whole. It is within the policy process that the various sectors of the business community transcend their interest-group consciousness and develop an overall class consciousness (Domhoff,1979:61).

Centrally dominating the policy-formation process are the highest-echelon power-elites from the wealthiest families, biggest corporations, and most prestigious law-schools, university institutes and think-tanks. Both the process-linkages as well as the key "actors" in this policy-formation process are summarized in Figure 1, which follows Dye's(1976:192) modification of Domhoff's(1972:148) schema, plus two small additions on my part--namely (a) to add to Dye's diagram the "actor" of "think-tanks" originally present in Domhoff's model, since not just elite university research centers but also key think-tanks are providers of research and intellectual expertise that go into the consensus-seeking mills of policy-planning groups; and (b) to show that government too also directly funds the same expertise for policy-planning and implementation (e.g. USAID often relies on university centers like Harvard's Center for International Affairs for its aid projects in UDCs).

As indicated in Figure 1's schema, the central units in the policy-formation network are the consensus-seeking policy-planning groups, such as the Council on Foreign Relations, Committee on Economic Development, and the Business Council. These function to furnish private forums for power-elites to arrive at some kind of consensus on policy-issues with the help of expert advice; to make known consensus positions or to encourage general dialogue among power-elites via publications and conferences; and

Figure 1 : The U.S. Policy-Formation Process


RESOURCES
RESEARCH
DECISION-MAKING
OPINION-MAKING
LAW-MAKING
Endowments, Interlocking Directorates
Foundations
Research Reports, Personnel
Government Commissions, Councils, etc
Corporations
Grants, Interlocking Directorates
Grants, Interlocking Directorates
Personnel
Policy Recommendations
Reports, Policy Recommendations
Policy Planning Groups
Personnel, Policy Recommendations
Executive Agencies, President, Congressional Committees, Courts
Endowments, Interlocking Directorates
Grants, Contracts for Selected Research Areas
Personnel, Policy Recommendations
Personal Wealth
Personnel, Research Reports
Research Reports, Personnel
Reports, News Items
Public Attention to Selected Policy Recommendations
Government
Grants
contracts
Universities
Think-tanks
Reports, News Items
National News Media

sources: Dye (1976:192); Domhoff (1972:148) not least to seek to incorporate such ideological consensus into official State policies.

The CFR. Among the key policy-planning groups, the most prominent in the foreign-policy arena is the Council on Foreign Relations(CFR), which is solidly entrenched in the power-elite vis-a-vis its financial base, leadership, membership, and its roles as a source of government leaders (Domhoff,1971:112ff). In their detailed study, Shoup & Minter(1977:57-100) elaborated on this ruling-class basis of CFR's power-network, confirming the close relationships between the official foreign-policy establishment (including the CIA) and the CFR. Their findings also indicated good connections between the CFR and elite mass-media and a virtual "monopoly" in prestigious foreign-affairs publications, such as the CFR's own journal Foreign Affairs and the newer Foreign Policy journal. And significant interlocks link the CFR with (a) top think-tanks (e.g. Brookings, Rand, Institute for Defense Analysis), (b)other lesser or more specialized foreign-policy planning groups (e.g.Foreign Policy Association, National Planning Association, Council for Latin America, National Committee on U.S.-China Relations); (c)elite universities(e.g.Harvard,Yale, Princeton, MIT,John Hopkins); and (d)top foundations (e.g. Rockefeller,Ford, Carnegie).

An important aspect of ruling-class control over the CFR is the preeminent role played by the so-called New York financial oligarchy,comprised principally of firms within the Rockefeller(e.g.Chase, Exxon, Equitable Life), Morgan (e.g.J.P.Morgan,IBM,G.E.), and First National City (e.g.FNC Bank,ITT) groups, and elite investment or law firms like Brown Bros.Harriman, Lehman, and Sullivan & Cromwell(Shoup & Minter,1977:85-111).

Through their intensive critical-historical analyses of CFR publications, archival material and private papers, Shoup & Minter(1977:117-176) showed how the CFR (via its special War and Peace Studies Project in collaboration with the State Department) successfully laid the basis of U.S. WWII aims and planned for post-war expansionism grounded in an imperialist conception of "national interest". This recognized important U.S. economic interests in a "secure" Third World as well as in a global economic order that will expedite U.S. and world capitalistic goals (e.g. IMF and World Bank formation). Regional-wise, the CFR had a major role in shaping (a)U.S.policy on Southeast Asia, most importantly Vietnam, which was perceived as a vital area to be controlled in the long-term interests of U.S. capitalist hegemony, and (b)the shift in U.S. China-policy from dogmatic containment to reconciliation (Shoup & Minter,1977:223-249,207-212).

In 1974, the CFR began a new study program, called the 1980's Project, aimed at formulating a design for a new global political-economic order. Thus over the past 6 years, some 12 study groups have been delving into problems of DC(North)-UDC(South) relationships, the international monetary order, DC(Trilateral) cooperation, international trade, MNC investment, global resources regimes(e.g.oceans), and security-related issues. In Shoup & Minter's(1977: 254-286) preliminary estimate, the CFR's 1980's Project, as well as the parallel policy-planning of the Trilateral Commission joining U.S., West European and Japanese power-elites, are designed to foster an era of "liberal internationalism" or "transnationalism" in which "interdependence" is the catchword. Indeed, as earlier stated, the ODC is a policy-planning group formed specifically by the ruling-class to deal with U.S.-UDC relations in the spirit of this emergent "interdependence" paradigm of global political-economy. The Shoup & Minter study of the CFR provides therefore a constructive model for the conduct of this study.[9]

Other policy-planning groups. Besides the CFR, groups like the Committee for Economic Development(CED) and the Business Council have also been prominent in the policy-planning process. The CED was founded in the early 40's by big business leaders to help plan U.S. post-war economic expansion (Eakins,1969; Domhoff,1967:74ff;1979:67ff). In parallel with smaller groups like the National Planning Association and served by the usual economic experts, the CED backed foreign trade, overseas investment, foreign aid, and creation of the World Bank and IMF as important facilitators of U.S. domestic prosperity. The CED has also concerned itself with issues of the national budgetary and fiscal systems, and in 1946, was partly responsible for the eventual shape of the U.S. Employment Act(Domhoff, 1979:109ff). Influential too in domestic economics is the Business Council, which embraces major business leaders across the nation and regularly meets confidentially with top government officials. While less research-oriented than the CFR or CED, it serves as a collecting and consensus-seeking point for making known such consensus to the Executive Branch(Domhoff,1979:70-75; Kubey,1973).

And providing a further important link between big business and government are the many Presidential Commissions, ad hoc groups of "leading citizens" formed to assist the President in planning new policy initiatives or to build support for his programs (Wolanin,1975; Popper, 1970; Domhoff,1979:87ff). Though Commissions are ostensibly representative of diverse sectors (e.g.business, labor, minorities), the evidence indicates that leadership dominance rests on power-elites from major policy-planning groups. As Domhoff(1979:89) puts it, the "most important role" of Presidential Commissions is

> to legitimate and make "official" the ideas that have been developed in the private-sector policy network. It is in the Commissions that representatives of labor, minorities, women and other sectors of scoiety are given a chance to participate in the process of policy-formation and thereby to become convinced of the sensibleness of the new ideas. Thus the Commissions help give new policies a society-wide stamp of approval as well as official sanction.

In sum, the policy-planning groups serve vital interests of the power-elite by (a)providing informal private occasions for discussion and working-out of consensus on State policies, with the help of academic and think-tank experts; (b)serving as a training ground and recruiting ground for potential power-elite leaders; (c)legitimating members as non-partisan "objective" experts concerned with the "national interest" on their own time, and (d)influencing the "climate of opinion" in Washington and the country-at-large (Domhoff,1979:120ff). The latter function (d) is of course part of the "ideology process"--the fourth component in Domhoff's model of ruling-class domination-processes, to which the discussion now turns.

The "ideology process". In Domhoff's framework,

> the ideology process consists of the numerous methods through which members of the power elite attempt to shape the beliefs, attitudes, and opinions of the underlying population. It is within this process that the power elite tries to create, disseminate and reinforce a set of attitudes and values that assure Americans that the United States, for all its alleged defects, is the best of all possible worlds (Domhoff,1979:169).

Laissez faire liberalism, "Americanism", containment --all these ruling-class principles for ordering domestic and foreign U.S. policies have to be reinforced into the culture of the underclasses. Consequently, the major policy-planning groups also actively seek linkages with middle and lower-level groups or institutions, including schools, churches and voluntary organizations. To aid dissemination of ruling-class ideology, the services or help of middle-level discussion forums, public relations firms, and the mass-media are enlisted (Domhoff,1979:169-200). For instance, the CFR reaches local ruling-circles through regional committees of local leaders who are exposed to CFR perspectives in regular talks by CFR or government speakers. The Foreign Policy Association(FPA) has been very important in mass education on foreign affairs via literature distribution and local discussion groups. Indeed, the FPA can be regarded as serving a complementary role to the CFR, working more at the electorate level while the CFR concentrates on higher-level elites. Not surprisingly, then, there is substantial leadership interlock between CFR and FPA(Shoup & Minter,1977:71). Certainly, in the critical area of foreign affairs the evidence suggests significant ability of the power-elite's ideology network in moulding public opinion.

Other important means of fostering ruling-class ideology include the initially CED-affiliated but now "independent" Joint Council on Economic Education, which seeks to shape school curricula and instruction in economics (Domhoff,1979:179ff); and the National Advertising Council, which serves to bolster a "good image" of business' beneficial role in U.S. society (including a recent interest in the concept of corporate "social responsibility") via advertising campaigns, "think-tank" research, and socially-cohesive activities (e.g.Public Service Awards to corporate leaders) (Hirsch,1975).

A theoretical caveat, however, is in order. As

Domhoff(1979:197ff) noted, the "ideology process" must be located in a contextual whole incorporating the other processes of "candidate-selection", "special-interest", and "policy-formation". It should not be accorded an over-deterministic role in keeping the underclasses subservient. For at base, it is power-elite decisions on political economy that structure overall social and institutional stability--the ideology process helps lubricate those basic dominating processes by reinforcing capitalist values and norms, and neutralizing or repressing counter-values, particularly those working to transcend capitalism.

In sum, the present investigation of the ODC will entail mapping both the power-linkages within ODC's power-structure as well as the processes of ruling-class domination that it, as an elite policy-planning group, undertakes to formulate and disseminate its ideology. Furthermore, the study will also evaluate the ideology and validity of the ODC's political-economic understanding of and planning for (a)U.S.-Third World relationships, and (b)UDC problems of underdevelopment and development. The theoretical and methodological insights accumulated by critical scholars like Domhoff, Shoup and Minter in researching the U.S. power-structure, on the one hand, and on the other hand, the mushrooming evidence for the critical paradigm on underdevelopment and development earlier discussed, will all constructively underpin this investigation of the Overseas Development Council.

Chapter 2

RESEARCH METHODOLOGY

INTRODUCTION

In this chapter, the research methodology of this study will be articulated in the form of several questions, together with the methods required to answer them. As earlier mentioned, the investigation falls into three major parts: (a)an analysis of the ODC's power-structure (Section II); (b)a content-analysis of the ODC's "development ideology", i.e. its ideology on Third World underdevelopment and development(Section III); and (c)a concluding critique of that "development ideology"(Section IV). However, prior to framing the research questions, it is helpful to present a brief organizational profile of the Overseas Development Council and thereby afford a better contextual perspective to those questions.

THE ODC: AN ORGANIZATIONAL PROFILE

Goals, Functions & Sponsorship

The opening words of the ODC's(1976) recent Annual Report describe lucidly the Council's goals and functions as follows:

> The Overseas Development Council is an independent nonprofit organization established in 1969 to increase American undertsanding of the economic and social problems confronting the developing countries to the United States in an increasingly interdependent world. The ODC seeks to promote consideration of development issues by the American public, policy

> makers, businessmen, educators, and the media through its research, publication, conferences, and liaison with organizations interested in U.S. relations with the developing world.

Funding of ODC's activities, the report further states, come "predominantly" from foundations and corporations. "Some support" is given by private individuals, and international or governmental organizations. Indeed, the predominance of corporate-elite support was noted by the New York Times(March 1,1969:15) in its report of the ODC's founding--the directors and sponsors' list "read like a WHO's WHO of U.S. business, banking and industry." The founding Chairman was the well-known corporate-State elite Eugene Black, whose long career included serving as a Vice-President, Chase Manhattan Bank(1933-47); as U.S. Executive Director(1947-49) and then President of the World Bank(1949-62); as a Chase director(1963-70) and director of various corporations(American Express,ITT,Cummins,Warner); and as Special Assistant to President Johnson on Southeast Asian Social & Economic Development. ODC's founding Vice-Chairman was Judge Frank M.Coffin, former Congressman active in foreign affairs and serving in U.S. official aid roles from 1961 to 1965.

Directors & Staff

ODC policies are determined by a Board of Directors, which has an Executive Committee to handle technical details. Over the years 1970 to 1977, the total Board membership has varied between 70 to 90 individuals. The institutional affiliations of ODC Directors include industrial and financial corporations, foundations, mass-media companies, consultants and law firms, associations, academic institutions, think-tanks, governmental bodies, and labor unions. A few non-affiliated individuals are also present. And although foundations or corporations with representatives on ODC's Board are inevitably also financial sponsors, several sponsors are not represented on the Board.

To undertake the daily functions of the Council, there is a staff comprising a President, a Vice-President, three or four Senior Fellows, a few other Fellows or Associate Fellows, one or two Visiting ~~Fellows,~~ Fellows, a few staff associates, one "communication specialist", and one "director of public education".

Program

The ODC's program has two interrelated components. The first component is Research and Analysis. It includes the "Agenda for Action" series--the Council's "annual assessment of the critical issues concerning the United States and the developing countries"-- and specific studies oriented around such topics as "International Economic Sysytems and the U.S. Interest", "Alternative Development Strategies and Basic Human Needs", "A Global Approach to Energy", "World Hunger and Food Scarcity", "Private Organizations and Development", and "Resource Transfer Alternatives".

The second component of ODC's program is called

Communications and Public Education. It serves to "communicate the results of its research...through publications, meetings and seminars...media briefings and...liaison with national and international organizations." In this regard, the Council has several publications series, including "development papers", monographs, conference reports, and the above-mentioned "Agenda for Action" annuals. As for ODC's frequent seminars and meetings, regular participants include Congressmen, Executive Branch officials, corporate leaders, diplomatic representatives, journalists, academics, and officials of international organizations.

The above profile, albeit brief, clearly reflects the typical organization of an elite policy-planning group. Like other elite associations cited in Chapter 1 (e.g. CFR, CED), the ODC is designed to formulate, build consensus on, and disseminate the ideology of U.S. power-elites--in this case, specifically with regard to U.S.-Third World relations and UDC problems of underdevelopment and development.

RESEARCH METHODOLOGY

The research problem of this study can be analytically broken down into two main tasks. First, there is the mapping of ODC's power-network, as defined below. Second, there is a critical analysis of the ODC's ideology of Third World "underdevelopment and development"--hereafter simply referred to as ODC's "development-ideology". This second task begins with an objective description of the content of ODC's policy-formation and ideology-processes (i.e. what is the Council's message of, by and for power-elites and to U.S. masses). It is followed then by a critique of the validity of ODC's ideology vis-a-vis real development of UDC masses, as well as a projective analysis of the "success" possibilities of such an ideology in furthering the interests of U.S. capitalism in particular and world capitalism in general. In sum, this study seeks to illuminate critically the role of one policy-planning group--the Overseas Development Council--in the U.S. policy-formation process. However, it should be stated at the outset that owing to some methodological constraints, to be noted at appropriate points below, this study does not claim to be a fully complete process investigation.

ODC's Power-Network

For the purposes of this study, the power-network of a policy-planning group such as the ODC is defined in structural terms as the various institutional linkages through which the Council may have its influence felt directly and/or indirectly on U.S. foreign-policy formation and ideology-maintenance. Such linkages take the form of financial support, board membership and/or commissioned work for the ODC. Apart from structural questions, however, an examination of ODC's power-network will also attempt to expose "processes" of influence or domination, i.e. how the ODC goes about creating and propagandizing its ideology. The following research questions (RQ's) summarize my proposed dissection of ODC's power-network:

RQ 1: Who supports the ODC? This question is descriptive in intent, entailing categorization of ODC linkages in terms of corporate or non-corporate affiliations, and --within these major groups-- subcategories such as industrial or financial capital, foundations and associations. Also, ODC's funding base is investigated.

RQ 2: What are the corporate linkages? With respect to each of the major sub-categories of corporate linkages (industrial corporations, financial firms, mass-media, consultants, law firms, foundations, multilateral "development" banks), it is asked: how important/powerful/influential are these institutions in the U.S. and world capitalist system? ; what interests, if any, do they have in the Third World? The analysis here will also analyze the intra-collaborative linkages among these corporate supporters (e.g. personnel interlocks, elite inter-penetration).

RQ 3: What are the non-corporate linkages? Such linkages fall into three sub-categories: associations (foreign policy-planning groups, voluntary agencies, domestic special-interest groups); government-related institutions; and think-tanks and academic institutions. For each group or institution, (a) its power-structural connections with corporate elites are traced via interlocking directorships and source of funding; (b) its known role and status within the U.S. policy-formation network, and (c) its ideology on Third World problems are investigated.

RQ 4: What "potential influence" on State policy-formation may be available to the ODC? As earlier discussed, two overlapping major channels by which corporate power-elites can exert influence and domination on State policy-formation are (a)elite-interpenetration among members of the corporate and State(governmental) segments of the power-elite; (b) established policy-planning groups. To assess empirically the "potential influence" that the ODC may have, the career records of ODC directors are examined vis-a-vis participation in key policy-planning groups (e.g.CFR) and experiences in top government posts. The qualifying adjective of "potential" in such assessed "potential influence" is necessary because this mode of analysis, in the absence of inside kinds of information (e.g. minutes, memoranda, private records), cannot show precisely when what influencing or domination on particular issues are being exerted.

RQ 5: How does the ODC propagate its "development ideology" ? This question seeks, in part, to complement the structural analysis of ODC's power-network by illuminating some of the public processes through which the ODC seeks to achieve consensus among associated power-elites, and to transmit its ideological concensus and ideology throughout the U.S. social fabric. Major aspects of study here focus on ODC meetings and seminars, ODC publications and mass-media publicity, ODC's lobbying in Congress, and the Council's special "Transnational Dialogues" Project.

ODC's Development-Ideology

Since Section III's Introduction gives details of the mode of intensive content-analysis for exposing ODC's development-ideology, it suffices here to note the three major research questions relevant to this second research task:

RQ 6: What is the ODC's development-ideology? Here the intent is to describe objectively the general paradigmatic thrust of ODC's development-ideology and concrete elaborations of the ideology in specific areas. A preliminary scan of ODC literature reveals the following central topics around which description can logically proceed: the principle of "interdependence"; ODC's "new development theory"; trade; foreign investments and MNCs; foreign aid; technology; employment; food and population; energy and resources; development-education; the New International Economic Order; liberation and revolution. Through this research question, one can identify ODC's position in the modernization-critical spectrum on UDC problems.

RQ 7: Does ODC's development-ideology serve the needs of Third World masses? Here, I seek to critically evaluate the likely efficacy of ODC ideology in solving Third World underdevelopment. This requires exposing the assumptions as well as the theoritical and empirical deficiencies of the ideology. It means asking whose interests are best served by ODC policy-proposals for Third World development ?

RQ 8: What implications does ODC ideology have for U.S. hegemony in the world capitalist system? Finally, an attempt is made to place the ODC's policy-planning role within the overall context of global political-economy. Can the "new" emphasis proposed by the ODC for U.S. foreign relations vis-a-vis UDCs and for DC-UDC relations in general, be of help to DC power-elites in coping with the deepening structural crisis of world capitalism?

The above eight research questions are apportioned among the succeeding Sections as follows: Section II deals with the ODC's power-network (i.e. RQ1 to RQ5). Section III is concerned with RQ6, the ODC's development-ideology in terms of its basic content. And in the concluding Section IV, containing the theoretical-analytical critique of ODC development-ideology, RQ 7 and RQ 8 are answered.

SECTION II

THE ODC POWER-NETWORK AND PROCESSES OF POLICY-FORMATION AND IDEOLOGY PROPAGATION

INTRODUCTION

This section begins my empirical analysis of the ODC. It focuses on mapping the ODC's power-network (i.e. the complex of structural linkages between ODC and centers of US ruling-class power) as well as the processes by which ODC formulates and propagates its ideology. The details of research methodology for these tasks have already been provided in the preceding chapter (viz. RQ1 to RQ5), and need not repeated here. A pertinent item for introductory note, however, concerns the historical origins of the ODC. As Weissman(1974) discovered in the first-ever critical probe of the ODC -- that inspired this extended study -- the Council was born at the hands of leading US power-elites. From its very inception, the Council was indelibly stamped with the trademark, to borrow Shoup & Minter's(1977) designation, of an "imperial brain thrust".

Specifically, the idea of an ODC emerged from the policy-planning of President Johnson's 1968 General Advisory Committee on Foreign Assistance, commonly known as the Perkins Committee. This Committee was to be influential in re-emphasizing the instrumentality of foreign aid in promoting US political-economic hegemony in UDCs. It urged a fresh thrust towards increased multilateralism (e.g. World Bank aid) and social-economic "development" projects stimulative of UDC growth, and thereby of US trading and investment opportunities. As Section III reveals, these are precisely some of the policy-planning proposals of the ODC.

In terms of power-network linkages, members of the Perkins Committee were therefore the founding power-elites of the ODC. Prominent examples included (a) James Perkins, the committee chairman, a long-standing Cornell President and a Chase director prominent in the U.S. policy-formation processes since the war years via OSS and the Carnegie Foundation, and helping inter alia to form Harvard's Center for International Affairs; (b) Eugene Black, a veteran executive and director of Chase and World Bank President (1949-62), and then Chairman of Brookings; (c) David Rockefeller (Chairman, Chase); (d) Rudolph Peterson (President, Bank of America); (e) David Bell (Vice-President, Ford Foundation); (f) Edward Mason, a key organizer of Harvard's Development Advisory Service and MIT's Center for International Affairs and close collaborator with Allen Dulles's CIA and other Cold War scholars (e.g. Max Millikan, Walt Rostow); and (g) Father Theodore Hesburgh, President of Notre Dame, a Rockefeller Foundation trustee, and later a Chase director. When the ODC officially started in early 1969, all these corporate and academic elites formed the nucleus of ODC's founding Board of Directors. Eugene Black became the first chairman, and Harvard's Ed Mason one of the two vice-chairmen. In 1970, Father Theodore Hesburgh assumed the Chairmanship -- a post he has held since. And David Rockefeller, Rudolph Peterson and David Bell all became directors. As Weissman noted, the dominance of Rockefeller Corporate interests in the origins of the ODC is quite evident from the ample representation of several Rockefeller owned or controlled firms on the first Board.

In sum, the ODC was created as a permanent institution to intervene in the U.S. policy-formation processes vis-a-vis U.S.-UDC relations. Since its organizers are no less than some of the most powerful corporate and intellectual elites, people who do not usually spend their "precious" time in unprofitable projects, it is obvious that the ODC was slated at its inception to becomes a significant feature of the U.S. policy-planning scene. The central purpose of this Section is to document both the structure and the processes through which the ODC has gone about fulfilling its designated role.

Chapter 3

SUPPORTERS OF THE ODC: GENERAL SUMMARY

INTRODUCTION

This chapter provides a general summary of ODC-supporters. "Support" is taken here to mean not merely financial funding, but also a willingness of any individual or organization to be publicly linked with the ODC as supportive of the Council's theory-and-practice. Thus, for example, a willingness to sit on ODC's Board of Directors, even without financial contributions, would constitute support. ODC supporters are categorized under "corporate affiliations" (i.e.directly linked with business) or "non-corporate affiliations" (which refers to all other types of supporters). And within these two major groups, subcategories are identified, such as industrial or financial capital, foundations or associations. But before these categories are listed, it is appropriate to summarize the financial backing of the ODC.

WHO FUNDS THE ODC ?

Though the ODC earns some income from subscriptions to and sales of publications, royalties, and investments, the bulk of its total income (approximately 92-98 % over 1971-1976) is funded from direct contributions and grants or contracts for specific projects. Over 1971 to 1976, the latter two components have steadily risen[1] : $506,000 (1971); $596,000(1972); $663,130(1973); $854,732(1974); $1,042,781(1976). From the list of contributors, it is clear that virtually all contributions and project grants come from business firms and various major foundations (e.g. Rockefeller Foundation ; Ford Foundation; Lilly Endowment; Andrew W.Mellon Foundation). Though the ODC's financial statements do not give details of how much individual institutions contribute, an illuminating partial breakdown was provided by ODC President James Grant during hearings before the House Committee on Foreign Affairs.[2] Thus of the $646,130 direct contributions for 1973, some $465,000(67 %) were donated by five major foundations in the $40,000 to $125,000 range. The remaining 33 % came from 34 U.S. corporations or smaller foundations ($170,860; 27%)[3] and from individuals ($10,270; 6%). Partial information was also found in the Foundation Grants Index, and Table 7 lists the contributions by year and amount for major foundation contributors.

In terms of contributors, the ODC obtained the financial backing of 46 business firms and foundations in 1971. This figure grew to 69 in 1974-75 and 77 in 1976. A cross-check shows that between 1971 and 1975, ten firms dropped out of the ODC's contributors' list, while between 1975 and 1976, twenty firms[4] were replaced by other new contributors. Such turnover in contributors does not appear to suggest any ideological differences or to reflect

Table 7: Contributions of Major Foundation-Supporters of the ODC, circa 1973-1976

Foundation	Year(s)	Amount
Lilly Endowment	1973-1976	$150,000
Ford Foundation	1975	$150,000
	1976	$150,000
	1975-1976	$ 70,000
Andrew W.Mellon Foundation	1975	$240,000
Rockefeller Brothers Fund	1974	$ 50,000
	1976	$ 50,000
Rockefeller Foundation	1973	$125,000
	1975	$ 30,000

Source: Foundation Grants Index(1974;1975;1976)

unfavorably on ODC's institutional image. To begin with, all the major firm and foundation contributors have been consistent in their funding, including giants like Exxon, Chase Manhattan, Ford, GM, and IBM. Secondly, there is nothing in ODC's "development ideology" that could seriously upset any MNC. Indeed, there is much in ODC's "development ideology" which is generally supportive of MNC values and activities.[5] To reinforce the point that the ODC enjoys considerable confidence among its financial backers, we have ODC President Grant's remarks in the 1973-75 Annual Report:

> In the six years since its establishment, the Overseas Development Council has grown to a point where it is now capable of fully carrying out the mandate of its founders to increase American understanding of the importance of the developing countries to the United States. *This capability was recognized last year by the Council's major financial supporters who, after an extensive review, agreed to renew their support for another five-year period*... (emphasis added).

Thus while the ODC labels itself as an "independent non-profit" organization, it is virtually financially dependent on institutions that are preeminently concerned with profit-making, or closely allied to profit-making organizations.

CATEGORIES OF ODC SUPPORTERS

Table 8 lists by various categories and sub-categories all institutions which are linked to the ODC through contributions and/or directorships on the Council's Board. To strengthen the import of the analysis, institutions no longer directly linked after 1972 were excluded from the list; that is, only consistent contributors since 1971, and recent contributors circa 1973-1976 were included. Altogether, the list includes 117 corporate-based supporters and 37 non-corporate institutions ,viz: 74 industrial companies; 7 commercial banks; 2 insurance firms; 2 diversified financial firms; 16 corporate-based foundations; 4 more foundations either not directly corporate-based or unlisted in the Foundations Directory; 17 associations; 3 government-based bodies; 3 multilateral "development" banks; and 17 research centers, think-tanks, universities or colleges.

In the ensuing chapters, each major category of ODC-supporters and its sub-categories will be examined in detail. Chapter 4 discusses the ODC's "corporate linkages" and Chapter 5 the "non-corporate linkages".

Table 8: Linkages of ODC--Consistent and/or Recent Contributors and/or Represented on ODC's Board of Directors (circa 1971-1976)

A. CORPORATE SUPPORTERS

I. INDUSTRIAL COMPANIES

Allied Chemical
Allis-Chalmers
Aluminium Co. of America*
American Can*
American Metal Climax(AMAX)
ARA Services
Atlantic-Richfield
Avon Products
Bache Halsey Stuart
Bausch & Lomb
Bechtel
Borden*
Borg-Warner
Butler Manufacturing*
Cabot
Cargill
Caterpillar Tractor
Chrysler
Clark Equipment
Cognitronics
Continental Group
Corning Glass Works
Crown Zellerbach
Cummins Engine
Dart Industries
Deere
Exxon
First Mississippi
Ford Motor
General Electric
General Foods
General Mills*
Hewlett-Packard
IBM
International Harvester
ITT
Johnson & Johnson*
Kaiser Industries
Koppers
Eli Lilly
Litton Industries
Marcona
Masco
MCA
Medtronic
Merck
Millmaster Onyx Group
Mobil Oil
Motorola
Northern Petrochemical
Norton Simon
Occidental Petroleum
Pet
Pfizer
Philip Morris
Procon
Schering-Plough
Shell Oil
Standard Oil of California
Standard Oil of Indiana
Sterling Drug
Tecumseh Products
Tenneco
Texas Instruments
Union Pacific
Universal Oil Products
Westinghouse Electric
Xerox

II. COMMERCIAL BANKS

Bank of America
Chase Manhattan Bank
Chemical Bank
Continental Illinois National Bank & Trust
First National City Bank of Chicago
Mellon National Bank & Trust*
United Virginia Bankshares

V. MASS-MEDIA COMPANIES

Chicago Daily Defender
Des Moines Register & Tribune
Newsday
New York Times
Post-Newsweek Stations
Time Inc.
Washington Post

III. INSURANCE COMPANIES

Equitable Life Assurance
Insurance Co.of North America

IV. DIVERSIFIED FINANCIAL COMPANIES

American Express
Sogen-Swiss International

VI. LAW & CONSULTING SERVICES FIRMS

Business International
Diebold Institute for Public Policy Studies
W.J.Levy Consultants
Griffenhagen-Kroeger
McKinsey
Paul,Weiss,Goldberg,Rifkind, Wharton & Garrison
Prather,Levenberg,Seeger, Doolittle,Farmer & Ewing
Surrey,Karasik & Morse

VII. FOUNDATIONS

Alcoa Foundation
American Can Co. Foundation
Borden Foundation
Butler Manufacturing Fdn.
Clayton-Packard Foundation**
Compton Foundation
Edna McConnell Clark Fdn.**
Ford Foundation
General Mills Foundation
Grace Foundation
Gulf Oil Foundation
INA Foundation
Johnson(Robert Wood) Foundation
Johnson & Johnson Associated Industries Fund
Charles F.Kettering Foundation
Lilly Endowment
Longview Foundation**
Andrew W.Mellon Foundation
Mertz-Gilmore(Joyce) Fdn.
Research & Social Service Fdn.
Rockefeller Brothers Fund
Rockefeller Foundation
Xerox Fund

Table 8 (continued)

B. NON-CORPORATE LINKAGES

I. ASSOCIATIONS

(i) Foreign Policy Association
- Natl. Committee on U.S.-China Relations
- U.N. Assoication for U.S.A.

(ii) AFL-CIO
- American Assn. of University Women
- League of Women Voters of the U.S.
- United Automobile Workers(UAW)
- United Negro College Fund

(iii) Abyssinian Babtist Church
- Africare
- Foundation for Cooperative Housing
- International Voluntary Services
- National Council of Churches
- Population Crisis Committee
- United Methodist Church
- U.S. Catholic Conference
- Society for International Development

II. GOVERNMENT-BASED INSTITUTIONS

- Post-Conference Board of the White House Conference on Aging
- U.N. Fund for Population Activities
- U.S. Agency for International Development(USAID)

III. MULTILATERAL "DEVELOPMENT" BANKS

- Asian Development Bank
- Inter-American Development Bank
- International Bank for Reconstruction & Development(IBRD, World Bank)

IV. RESEARCH CENTERS, THINK-TANKS, UNIVERSITIES & COLLEGES

- Aspen Institute for Humanistic Studies
- Berea College
- Brown University
- Brookings Institution
- California Institute of Technology
- Georgetown University
- Center for International Affairs, Harvard University
- Harvard Institute for International Development (ex-Development Advisory Service, Harvard University)
- International Council for Educational Development
- Michigan State University
- University of Minnesota
- North Carolina State University
- University of Notre Dame
- Resources for the Future
- School of Advanced International Studies, John Hopkins University
- Tuskegee Institute
- Washington Research Project
- Woodrow Wilson School of Public & International Affairs, Princeton University
- Worldwatch Institute

SOURCE: Various ODC Annual Reports and publications

* Contributions via respective corporate foundations

** Not listed in the Foundations Directory

Chapter 4

THE CORPORATE LINKAGES

INTRODUCTION

In mapping the corporate linkages of ODC's power-network, central focus was placed in assessing the economic and/or political importance of ODC's corporate-supporters, both domestically and internationally, and especially in the Third World. Such an assessment is necessary to satisfy us that the ODC is indeed regarded as an "useful" institution by top corporate elites of the U.S. ruling-class, and thus potentially capable of influencing U.S. foreign-policy in overall directions--in other words, that the ODC is not, say, some weak, specific-interest lobbying group.

ECONOMIC MIGHT OF CORPORATION-SUPPORTERS

The economic might of ODC's corporation-supporters (i.e. supporters qua corporations or firms) are first assessed in terms of their rank in FORTUNE's 500 Largest Industrials in the U.S. (Fortune, May, 1973; May, 1975; May, 1977). Table 9 gives a breakdown of the number of industrial corporation-supporters assigned to various rank-intervals in three different years. The table shows that approximately 40% or more of ODC industrial-supporters in the selected years attained ranks not lower than 50 in sales or income, and most significantly, that a huge

Table 9

ODC Industrial Corporation-Supporters Ranked on Sales and Incomes During the Years 1972, 1974 & 1976

	1972[a]		1973[b]		1974[c]	
Ranking	Sales	Income	Sales	Income	Sales	Income
1 - 10	8	8	8	7	9	8
11 - 50	8	7	11	11	8	8
51 - 100	0	2	5	9	10	12
101 - 250	2	1	16	8	14	15
251 - 500	2	2	1	6	4	2
Total	20	20	41	41	45	45
1 - 10	8	8	8	7	9	8
1 - 50	16	15	19	18	17	16
1 - 100	16	17	24	27	27	28

SOURCE: Ranking based on FORTUNE's 500 Largest Industrials in the United States(Fortune,May 1973;May 1975; May 1977)

a. 5 firms not listed, including Bechtel(a private company)

b. 7 firms not listed, including Bechtel

c. 13 firms not listed, including Bechtel and Cargill(a private company) majority of the top ten U.S. industrials in those years were ODC supporters. Clearly, the ODC enjoys the support of many of the most important industrial corporations in the U.S.

Secondly, looking at the commercial bank-supporters, it is seen that between 1969 and 1976, 6 out of 7 such supporters were ranked within the top 16 U.S. banks in terms of assets (FORTUNE's 50 Largest Commercial-Banking Companies). These include the Bank of America(1st in 1976), Chase Manhattan(3rd), Manufacturers Hanover(4th), Morgan Guaranty(5th), and the Chemical Bank(6th). Among the life-insurance companies, according to FORTUNE's ranking, the Equitable Life Assurance Co.--behind which lies Rockefeller interests--has consistently ranked third in that category since 1969. Of the two diversified-financial companies, American Express Inc. achieved third or fourth ranking over 1971-76 in assets, and was second in net income(profit) for 1976. The ODC hence also has active support from the core of U.S. finance-capital interests.

Thirdly, FORTUNE's ranking for the 50 Largest Industrial Companies in the World by Sales[6] shows that over 1973-76, out of 22 to 24 U.S. firms on that list, at least 13 to 15 were ODC supporters. Furthermore, all 22-24 U.S. companies on the list averaged 60-70% of the total net income earned by those 50 MNCs.

These three sets of evidence conclusively confirm the enormous economic power wielded by the aggregate list of ODC corporation-supporters, among whom are several of the largest and top members of the U.S. industrial and financial capitalist class.

FOREIGN INVESTMENTS

As earlier reviewed in Chapter 1, Third World investments are vital to MNC interests and prosperity. Securing raw-material sources and supplies; cornering markets; cheaper labor costs--all these factors have served to increase the value of direct U.S. foreign investments in UDCs since WWII, from \$6.2 billion(1950) to \$14.9 billion(1967) to \$29.1 billion(1976).[7] Indeed,as shown in Table 10, a comparison of earnings against amount of direct investment by U.S. firms abroad clearly highlights the relatively higher profitability of operations within the Third World. It is pertinent therefore to look into the investment interests of ODC corporation-supporters in UDCs.

Subsidiaries in UDCs

Table 11 presents a schematic picture of direct foreign investments of ODC corporation-supporters in UDCs.[8] The results show a total of over 1000 subsidiaries all over the Third World. As would be expected from the existing pattern of U.S. economic penetration into UDCs, Latin America has the largest share of such investments. In addition, if not for South Africa, the African total

Table 10: Comparison of Earnings[a] and Direct Investment Position(D.I.P.)[b] of U.S. Firms in Developed and Underdeveloped Regions, at YearEnd 1967,1972, and 1975 (in millions U.S.$ and percentages).

Region	1967		1972		1975	
	D.I.P.	Earnings	D.I.P.	Earnings	D.I.P.	Earnings
All areas	56,583	5,522	90,467	10,800	133,168	17,473
Developed areas	38,708 (68.4%)	2,792 (50.6%)	62,060 (68.6%)	6,465 (59.9%)	91,139 (68.4%)	9,683 (55.4%)
Under-developed areas	14,928 (26.4%)	2,452 (44.4%)	22,863 (25.3%)	3,888 (36.0%)	34,874 (26.2%)	7,382 (42.2%)

Source: U.S.Dept.of Commerce, Bureau of Economic Analysis, Survey of Current Business, 56(August,1976):46-47

a. Earnings is the sum of the U.S.share in net earnings (or losses) of foreign corporations and branch profits after foreign taxes but before U.S. taxes

b. Direct Investment Position is the net book value of U.S. direct investors' equity in and outstanding loans to foreign affiliates.

would have been much less significant--attesting to the hitherto limited involvement (except in mining and extraction enterprises) of MNCs in Black Africa. While conceding the relative crudity of criterion used--a head count of individual subsidiaries omits considerations of size or investment value-- these results neverthless verify the wide-ranging economic interests of ODC corporation-supporters in UDCs.

In terms of business activity type, ODC corporation-supporters are most heavily involved in the oil, banking and electrical-electronics sectors. Also prominent

Table 11: Direct Foreign Investment Subsidiaries of ODC Corporation-Supporters in Regions and Selected Nations of the Third World by Investment Type

Regions & Selected UDCs	Metals & Mining	Oil	Chemicals	Foods	Heavy Equipment[a]	Automobiles & Trucks	Electrical-electronics	Business Equipment & Supplies	Drugs, Health Care, Cosmetics	Banks	Diversified & Others[b]	TOTAL
LATIN AMERICA	18	78	44	44	59	27	68	45	52	49	63	547(47%)
- Brazil	1	13	10	7	18	5	14	6	12	13	7	106
- Venezuela	8	13	7	7	6	5	7	3	6	5	16	83
- Argentina	0	2	7	1	10	2	10	3	5	1	3	44
CARRIBEAN	3	30	7	9	8	4	15	11	9	13	9	118(10%)
AFRICA	16	96	6	6	10	10	36	8	27	34	12	261(22%)
- Nigeria & Kenya	0	14	2	1	8	0	2	2	1	10	0	40
- South Africa	1	14	4	2	8	4	22	2	21	2	4	84
ASIA	1	63	20	10	7	12	38	8	22	40	19	240(21%)
- HongKong	1	10	3	1	1	0	9	2	5	9	5	46
- Philippines	0	3	1	4	1	2	5	1	6	8	3	34
- Singapore	0	13	4	0	0	2	4	0	0	7	1	31
ALL THIRD WORLD	38	267	77	69	84	53	157	72	110	136	103	1166

SOURCE; WHO OWNS WHOM IN NORTH AMERICA (8th Edition, 1976/77)

a. Includes Automotive Equipment, Machinery Equipment, and Farm Equipment

b. Includes Printing & Publishing, Paper Products, Services, Shipping & Insurance are chemicals, drugs and heavy and business- equipment industries. The relatively fewer number of metals and mining firms, however, does not seem reflective of any systematic trend of such firms not to support the ODC. After all, the current sectoral distribution of U.S. foreign direct investments in UDCs emphasizes manufacturing investments (26.4% of total UDC investments,yearend 1972) and petroleum investments(39.2%) over mining and smelting investments(10.8%)[9] --a largely post-war investment trend.

UNLISTED CORPORATION-SUPPORTERS

Among the 89 corporations(industrials, banks, insurance) which have supported the ODC since 1971, some 20 were not listed in WHO OWNS WHOM's directory of foreign subsidiary investments. In these cases, an attempt was made via personal communication to obtain information on UDC interests. This exercise, plus a scan of business magazines, yielded some additional data on UDC interests of individual firms or types of business.

For example, in the case of Equitable Life Assurance, Vice-President F.H.Schott informed me[10] that legal restrictions keep the firm's loans to UDCs at very "modest" levels (e.g.$20 billion to Central America and the Carribean). But the interesting insight came in Schott's concluding comments :

> Perhaps I should point out that in making very large loans to multinational firms, and investing in their common stock, there is a contribution to

economic development involved.

Thus even though the finance capital embodied in an insurance giant like Equitable may not be directly invested abroad, it still has no less significant stakes in UDCs via loans to or investments in MNCs.

Another unlisted firm is the bank of Manufacturers Hanover, which sent its 1976 Annual Report. The statistics include loans totaling $738 million in 1976 to UDCs with per capita income under $500; $884 million to OPEC nations; and sizeable loans to "richer" UDCs like Brazil ($645 million) and Mexico($770 million). But most significantly, Hanover's before tax income from foreign operations was $84 million for Asian, Middle East,North African, Carribean and Latin American UDCs combined. This contrasted with $86 million from Europe and Sub-Saharan Africa combined, attesting to the lucrativeness of UDC business not just for MNCs, but also for multinational banks like Hanover.

Turning to industrials, there are brochures and a letter from Col. Barney Oldfield, USAF(Ret) of Litton Industries, stating that

> 11among all the many things which Litton engages in, one we are proudest of lies in...earth resources development....we have just recently sold seismic packages to Pakistan and Syria, and have set up a seismic center for the government of Mexico.... When we ran our Job Corps Center, we were visited by Ministers of Education, Labor and Human Resources....some adaptations of our program are working in such countries today.

Of course, Oldfield omits to mention that Litton is much more important as a multibillion-dollar defense contractor, ranking 14th by $ volume of U.S. military prime contracts awarded in 1968(Melman,1970:260). Since 1954,Litton has put a "hammerlock on the world market for inertial guidance systems for military and commercial aircraft". With arms spending spiralling in UDCs with DC encouragement and complicity, doubtless firms such as Litton will have ample opportunities for profit-making (e.g.it was appointed in 1968 by Saudi Arabia as the prime contractor for a $1.64 billion nationwide aid-defense system)(O'Hanlon,1979).

Another prominent unlisted ODC corporation-supporter is the giant construction firm Bechtel. According to FORTUNE, Bechtel, which probably earns $2 billion income a year and possibly $40 million profits, is presently engaged in 119 major projects(each worth over $25 million) in some two dozen nations. The past Chairman, S.Bechtel Sr., is credited with "recognizing over twenty years ago the rich potential of the natural resources in Indonesia and he set out to capitalize on his knowledge"(Cordtz,1975:92). Bechtel's current contracts for Indonesia's State oil corporation include massive liquefied natural gas plants and related infrastructure. In an anniversary interview, present Chairman Bechtel Jr. predicted a faster rate of overseas growth in the next decade:

> The Middle East has great potential...(with) big new developments for us in the Persian Gulf. The Far East will be active for us also, especially in Indonesia and perhaps in the Philippines...Brazil..another prominent center of activity for us now... seems

> to have a stable political situation, and we can be very helpful to big projects there (Bechtel Briefs, April 1973:5-6).

Finally, there is Cargill, the largest U.S. privately owned firm and the world's biggest grain trader (Business Week,1979). Owning 350 elevators, 500 barges, 5000 railcars, and 14 ocean vessels, Cargill's profits grew sevenfold over 1970-75 to over $200 million. Besides its 25 percent share of U.S. grain exports, the firm has diversified extensively into agri-processing, mining, and even steel. And to capitalize on the grain trading boom, investments have been made in Argentinian and Brazilian grain production. Given their high dependence on DC grain, UDCs are obviously important to Cargill interests. Indeed, Cargill's trading "nerve-center" in Geneva hire

> graduates of the most prestigious schools... (who) are so plugged into political changes, crop developments, and currency movements in foreign countries that agents of the Central Intelligence Agency are said to meet with them regularly to pick the traders' brains (Business Week,1979).

In sum, as these brief profiles of selected unlisted ODC corporation-supporters further illustrate, the ODC enjoys the support of dominant U.S. MNCs and banks with vital interests in UDC political-economies.

MASS-MEDIA SUPPORTERS

As critical analysts have noted, mass-media institutions serve as one major ideological arm of the ruling-class, acting as "gatekeepers of ideas"(Clement,1974:70-

86) and hence "determining the framework within which decisions on important issues are reached"(Domhoff,1967: 83). And on foreign policy, the dominant mass-media have functioned to manipulate U.S. public opinion for the benefit of Cold-War and imperialist interests(Barnet,1972:266-306; Aronson,1973). It is thus not surprising that the ODC should deem it necessary to have linkages with at least the major mass-media firms.

Eight mass-media companies are listed among ODC's corporation-supporters: *Time Inc*., *New York Times*, *Washington Post*, *Post-Newsweek Stations*, *Newsday*, *Des Moines Register & Tribune* , *Times-Mirror Co*., and the *Chicago Daily Defender*. These eight are owned by six publishing groups, since Post-Newsweek Stations is a subsidiary of the Washington Post, and Newsday is owned by the Times-Mirror Co. In economic power and/or "newsmaking" influence, these six publishing institutions rank among the most important in the U.S. within their respective fields.

Leading in economic power is obviously *Time Inc*., the top magazine group (Time, Life-until 1972, People, Sports Illustrated, Fortune) which ranked 192 in net income among the top 500 industrials in 1975(FORTUNE,May 1976). Time Inc. also invests in broadcasting, resources and real estate(Domhoff,1967:82). Barry Zorthian, its V-P for Givernment Affairs, sits on ODC's Board.

In the daily newspaper category, ODC enjoys the backing of three of the most influential national groups.

The *Times-Mirror Co*. ranked fifth among all newspaper groups in 1977, publishes the *Los Angeles Times*(3rd largest daily,1976), *Newsday*(among the top six U.S.evening papers),and other literature, and owns TV systems and paperback houses (Emery,1978:387,437ff). The *New York Times* was the fourth largest daily in 1976 and the ninth largest group in 1977. A conglomerate, the group has 27 subsidiaries abroad and diverse domestic mass-media investments. Its international *New York Times News Service* had by 1977, 417 users in 54 countries (Emery,1978:307,387,438). Thirdly, the *Washington Post Group*--which acquired *Newsweek* in 1961--attained top tenth circulation with its influential daily in 1976, and in 1962 jointly set up with the Times-Mirror Group the *Los Angeles Times-Washington Post News Service*,with over 300 users by 1977(Emery,1978:307).

The remaining two ODC mass-media corporation-supporters are also significant in their own "territory". *Des Moines Register & Tribune*[12] is one of the four Midwest daily owned by John Cowles, whose group(ranked 11th in 1977) also has complete control of *Harper's Magazine*, part control of *Harper & Row*, and other publishing or media investments The *Chicago Daily Defender* was founded in 1905 to serve the U.S. black population and is now the cornerstone of the Sengstacke group--the largest U.S. black newspaper group comprising the Defender and eight other papers in various states(Wolsely,1971:70).

The ODC is hence well-linked with some of the most influential and powerful mass-media institutions in the U.S. Furthermore, these tend to include magazines or newspapers strongly "internationalist" in outlook (e.g. Time, New York Times, Washington Post, Des Moines) and liberal-reformist in domestic emphasis (Emery,1978:463, 466,473). Such orientations clearly fit in well with ODC ideological perspectives of "international global reform", as later analyzed in Section III.[13]

CONSULTING FIRM-SUPPORTERS

Increasingly, in the corporate world[14], consulting-firms selling services such as organizational planning, executive development, or investment research, have been acquiring much prestige and influence. One estimate puts the U.S. management consulting industry as a $2 billion a year business, employing between 40,000 and 60,000 professionals in about 3000 firms.[15] Leaders in the field include Booz, Allen & Hamilton, Arthur D.Little Inc., and Peat, Warwick, Mitchell & Co., one of the "Big Eight" accounting firms(Guttman & Willner,1976:11,15ff,42). But besides serving other corporations, consulting firms have also penetrated the public management arena. A recent study by Ralph Nader's Center for Responsive Law illustrates well the role of such firms in U.S. government policy-making, planning and implementation(Guttman & Willner,1976). In the study's introduction, Nader concisely analyzes the political-economy of consulting as follows:

> Notwithstanding conflicts of interest arising from their regular and sometimes simultaneous service to both government and business clients and also the absence of any meaningful external evaluation of their performance, these consulting firms are now a pervasive force in Government-business relations. It is not difficult to understand why. These firms form part of a career triangle with Government and business which features a continuous shuttle of personnel from one to the other. Fortified by personal friendships and contacts, the consulting industry services the needs of public and private institutions in specific and by now routine ways. Federal department officials achieve significant insulation from criticism of their behavior if they cite a "think tank" study. The imprimatur of consulting firms, sympathetic to and associated with the largest business firms in the land, conveys, to an inquiring Congressional committee, for example, that a department's action has the backing of an industrial or commercial establishment. Obviously, developing or recommending the types of Government programs which enrich corporate interests, in turn, ingratiates the consulting firms with the business part of the triangle.

ODC's corporate-supporters' list(Table 8) include four consulting-firms -- all of significant importance. Perhaps the most comprehensive in enterprise and scope is McKinsey & Co, whose U.S. and worldwide staff and principals provide services spanning corporate strategy, public policy, community development, operations management, and housing/transportation planning. Domestically, McKinsey's clients have included at least 15 railroads and 11 airlines. By 1970, McKinsey had become "indispensable to Government managers charged with the creation of new organizations", such as the Equal Employment Opportunity Commission, Price Commission, Federal National Mortgage Association, NASA, and AmTrak (Guttman & Willner,1976:50ff). In 1952, John Corson of McKinsey initiated the firm into a contract from the Republican Party(White House-elect) to conduct searches for suitable Federal management staff. And in 1972, the Nixon Administration's central recruiting office was organized by Fred Malek, who had worked in McKinsey's Los Angeles office.[16]

Internationally, McKinsey is active in serving MNC subsidiaries and other DC corporations. "Symbol of American management expertise in Europe, the firm has reorganized the leading corporations in Germany, Holland, and Britain".[17] Details of McKinsey's operations in UDCs, however, are less well-known--the firm itself being reluctant to divulge information.[18] But one documented and interesting example is McKinsey's contracts to set up management and control systems in various Tanzanian State corporations (e.g.National Development Corporation; State Trading Corporation). As Loxley & Saul(1975:72) critically observed, this delegation of key public-policy authority to a capitalist-oriented and politically-conservative firm by a government ostensibly commited to "socialist" goals, is bound to generate problems and contradictions for any socialist transformation.

A second ODC corporate-supporter in the consulting business is Business International Corporation(B.I.), which specializes in international business management and national economic policies relevant to such business. The President and Chief Executive Officer of B.I. is Orville J. Freeman, a former Governor of Minnesota(1955-61) and

U.S.Secretary of Agriculture(1961-69), and a long-standing ODC director. The scope of the firms's consulting services is reflected in its more than 14 publication series containing international business information. Covering all DC and UDC regions, as well as Eastern-bloc economies and China, the publications report on and analyze market and labor conditions, trading opportunities, juridical issues of foreign investment, and techniques of international financing. Being geared to MNC prosperity[19], the contents of B.I.'s information systems make predictable reading. Recent B.I. advice to its clients include cautioning MNCs to include in their investment strategies the increasingly important factor of "protectionism"[20]; optimistically reviewing the Chilean economy's emphasis on public sector austerity and creation of incentives for private enterprise and foreign investment[21]; welcoming Teng Hsiao-ping's return to "lead China's ambitious modernization program".[22]

Besides publishing management information, B.I. also organizes meetings and trips for MNC executives. An example is the trip in 1971 to Russia (jointly planned by B.I. and U.S. Commerce Department) of over 100 leading U.S. industrialists(Barnet & Muller,1974:61). Each year too, B.I. holds a "Roundtable in which BI experts and outside authorities discuss upcoming opportunities for, and challenges to, the Chief Executive Officers of corporations seeking to maximize their sales and profits worldwide."[23] For example, at the 1971 Jamaica meeting--attended by 64 top MNC executives, including 38 presidents and chairmen --the Roundtable consensus was that UDC "nationalism" should be accomodated through UDC elite cooptation(Barnet & Muller,1974:58ff). A final power-structural fact about B.I. is the personal affinity of its President, Orville Freeman, for agribusiness. Thus vis-a-vis the world food crisis, Freeman(1974) has argued for increased participation by agribusiness MNCs in food production and distribution--a viewpoint also found in ODC development-ideology (Chapter 9).

The remaining three ODC consulting firm-supporters --Diebold Institute, Griffenhagen-Kroeger,Walter J.Levy-- are more specialized but still no less significant. The former two fall within the Diebold Group , whose founder John Diebold (an ODC Director)is recognized as being the undisputed pioneer behind automation in U.S. industry and abroad. At 35, Diebold had already been selected by State Secretary Dean Rusk as one of the "ten distinguished Americans" leading the U.S.delegation to the 1963 U.N.Conference on the "Application of Science & Technology for the Benefit of the Less Developed Areas" (Cross,1965). The Diebold Group now has offices in some 14 cities on three continents, with over 300 professional assignments annually. Clients primarily seek advice on future planning, and include Xerox, GE, IBM, ITT; Ford and other European MNCs. One example of Diebold's activity in UDCs is

the Group's participation in a four-year program

> to improve the administrative procedures used in the Venezueluan government, including thirteen government ministries, the office of the President, and the city of Caracas, through application of automatic data-processing(ADP) techniques and the orientation of government officials (Cross,1965:88).

Another example is Griffenhagen-Kroeger's work for the King of Nepal.

John Diebold's personal "concern" for UDCs is seen in his article in CFR's Foreign Affairs journal. There, Diebold(1973:564ff) argues that UDC problems like nutrition, literacy, shelter and employment could be "much better tackled" by "target-oriented and strictly performance-oriented organizations" like private corporations skilled in research marketing, organization and communication. Thus aid funds could be used to support a competitively-bid contract for, say, improving nutrition. Likewise, the Diebold Institute(1974) lauded the success of MNCs in bringing technology and "development" to UDCs--only "tiresome organizational problems" stand in the way of stopping "endless hunger", and a transnationalized corporate system is the key to solving such problems.

Finally, ODC enjoys the support of Walter J.Levy Consultants. This firm, like the Diebold Group, is best known in the person of its founder, Walter J.Levy, who sits on ODC's Board. Identified by Time(Apr 25,1977:22) as the "pre-eminent international oil adviser", and besides a spell as oil adviser to Mobil, Levy has had a long high-level career in oil issues with the U.S. government.

From 1960 on, Levy was a regular consultant to the Department of State, and served on many U.S. trade and petroleum delegations. In March 1973, he was one of the keynote speakers at a large U.S.-Europe conference in Amsterdam to discuss energy problems(Vicker,1974:254).

Levy's UDC activities are no less important. In 1963, he was President Kennedy's Special Emissary-Oil Adviser to Indonesia's President. In the early 70's, he was deeply involved in bids by U.S. oil MNCs to gain concessions off IndoChina:

> President Nguyen van Thieu's government, aided by American oil consultant Walter J.Levy, framed petroleum investment laws which included assurances against nationalization. Tracts were opened on the continental shelf and bids actively solicited.In July,1973, leases were awarded to Shell. Mobil, Exxon, and Canadian and Australian interests(Engler,1977:53).

Thailand, Brunei and Malaysia have also received advice from Levy's firm on their dealings with the oil giants. The firm's empathy with MNC investments is clearly seen in its 1970 report to the Philippines government, which was advised to pursue policies "attractive" to foreign oil interests (e.g.undercutting Middle East prices; dropping a standard option of royalty on crude; firm's right to decide volume and prices of crude;high profit share) (Howell & Morrow,1974:85).

In sum, ODC's consulting-firm-supporters have substantial economic interests in UDCs, directly(via their own enterprises) and indirectly(via their work for MNCs). And in the U.S. corporate hierarchy, such firms--despite their relatively small size--evidently enjoy considerable influence and prestige, counting among their clients many top-ranking MNCs who in turn number among ODC's consistent supporters.

LAW FIRM-SUPPORTERS

Considerable evidence now exists to show the pervasive importance of lawyers in the upper reaches of U.S. political-economic power.[24] Representatives of the elite law firms(frequently of Wall Street,New York location) render legal services for corporations, may sit on their clients' Board of Directors, and are often recruited for important government posts(Smigel,1964:4ff). A recent study of the American Bar Association's leadership shows the highly supportive role ABA plays in U.S. public-policy lobbying for corporate interests(Melone,1977). And in the 50's, the ABA actively collaborated in McCarthy's Cold-War crusade by attacks on progressive or left-minded lawyers(Auerbach,1976:231-262).

But most powerful, however, are the so-called "Washington super-lawyers", whose specialty is their service for corporations in dealing with Federal regulatory agencies, departments, Congress, or the Pentagon. Cases cover such issues as mergers, licenses, contracts, taxes, and regulatory standards(Goulden,1972:1-19). Here, one of the most influential personalities is Clark Clifford, whose considerable experience in State elite roles (e.g.

adviser to four Presidents since 1950) has attracted many top corporations to retain his firm:

> A Clifford specialty has been helping clients like these wriggle around the laws and regulations he helped pass while he was in government. Most of his energies on their behalf have been directed at the regulatory agencies and the executive departments....(Green,Rosenthal & Darling,1975:49).

However, probably the most powerful and largest Washington firm is Covington & Burling. It represents seven of the top 15 defense contractors, and at any given time does Washington legal work for some 20 percent of FORTUNE's top 200 firms, including Exxon, IBM, ITT and Gulf Oil. Covington & Burling alumni who moved into State-elite roles included Dean Acheson(State Secretary,1949-53), Henry Fowler(Johnson's Treasury Secretary), William Bundy(Assistant Secretary of State under Dean Rusk) and Paul Warnke (General Counsel, Defense Department,and recently an inner Carter adviser). Others entered academia, including Harvard's Dean Al Sacks and professors Chayes, Fisher(an ODC director), Cohen,Shapiro and Stewart(Green,1975:16-44).

Given this centrality of law firms in the U.S. power-structure, it is not surprising that the ODC should have lawyer-representatives on its Board. Of the three law-firms linked to the ODC, probably the biggest is the New York firm of Paul, Weiss, Goldberg, Rifkind, Wharton & Garrison. In 1974, the firm's involvement in corporate directorships earned in fees about $1.1 million from 10 corporations; in 1975, earnings from 11 corporations were $2.7 million.[25] These sums are, however, only a fraction of the firm's gross income. And among the firm's partners are some with key elite experience, such as Theodore Sorensen, Kennedy's aide over 1953-64(who was later hired by GM to help fight Nader's campaign over auto safety legislation); Adrian Dewind, former Chief Counsel of the House Committee on Ways & Means; and Morris Abrams, who left the firm in 1968 to become President, Brandeis University, rejoined the firm in 1970, and was National President of the American Jewish Committee(1963-68).

The remaining two ODC law-firm-supporters are of the Washington genre. Prather, Levenberg, Seeger, Doolittle, Farmer & Ewing have at least two partners with considerable former State experience. William Doolittle was assistant to the U.S. Solicitor-General(1961-63), and General Counsel, Air Force Department(1966-68). Thomas Farmer, who sits on ODC's Board, was General Counsel, USAID(1964-68), Board Chairman of the National Capital Transportation Agency(1961-64), and Counsel to the President's Special Adviser on Southeast Asian Economic Development(1965-68). Surrey, Karasik & Morse was cited in a FORTUNE article on "big Washington lawyers" as one whose practice is "heavily weighted towards international matters, including sugar interests"(Zalaznick, 1969:125). The firm's founders, Surrey and Karasik, both had extensive Federal government experience before setting up their lucrative practice. Walter Surrey was Chief, Division of Economic Controls, State Department(1945-47) and later Assistant Legal Adviser(1947-50). Monroe Karasik served with the Justice Department(1938-42) and then the State Department(1945-50). The firm's third partner, David Morse, was Assistant and then UnderSecretary of Labor over 1945-48. In the mid-50's the firm was hired by the Dominican Republic to lobby for a larger U.S. import quota on Dominican sugar.[26]

In sum, ODC's law firm-supporters also occupy prominent niches in the U.S. corporate-government power-network, with direct UDC economic interests themselves(as lawyers for UDC concerns) and indirect economic involvement (via services for MNCs).

FOUNDATION-SUPPORTERS

Though foundations are legally non-profit tax-exempt institutions, their growth in this century is inextricably related to the burgeoning wealth of the U.S. ruling-class. Under the mantle of "altruistic" and "charitable" goals, foundations have helped the wealthy reduce their income taxes, maintain family control of enterprises, and through investment of foundation funds, increase their capital accumulation (Domhoff,1967:64; Rudy,1970:3,16; Nelson,1967:128; Goulden,1971:21ff; Horowitz & Horowitz,1970; Nielsen,1972:366). Furthermore, foundation funding has helped to "create implicit values and set the limits within which cultural and intellectual quests are undertaken"(Domhoff,1967:71). Though conservative critics like Hart(1973) and Moynihan(1973)[27] have charged some foundations, notably Ford[28], for funding "social divisiveness" and "extremism", the record suggests otherwise. As one liberal analyst admitted, where "social activism" has been funded, it is not to precipitate class warfare but rather to repair the "democratic" social fabric, such as fostering adjudication of "differing" perspectives in court(Simon, 1973).

After all, the fact that the largest foundations are controlled by the U.S. upper-class and corporate elites should suffice to overrule such "far-right" arguments. No ruling-class certainly consciously seeks its own downfall. For instance, Rockefeller Foundation's Board of Trustees includes such corporate(often State) elites as W.Michael Blumenthal(Chairman, Bendix; Carter's first Treasury Secretary); Cyrus Vance(New York lawyer;Carter's Secretary of State); Douglas Dillon(Chairman, Dillon, Read; ex-Treasury Secretary); and Robert Roosa (Brown Bros., Harriman; ex-Treasury Undersecretary)(Rockefeller Foundation, 1974). Likewise Ford Foundation trustees have included, besides the Fords, corporate elites like Bechtel(Senior Director, Bechtel), Edwin Land(Chairman, Polaroid), J.I.Miller(Chairman, Cummins Engine), and John Loudon(Chairman, Royal Dutch Shell)(Ford Foundation, 1970).

Furthermore, linkages between foundations and government have been "intense and continuing, on both a policy and on a personal basis"(Goulden, 1972:283ff). For example, prior to becoming Johnson's HEW Secretary, John Gardner(as President, Carnegie Foundation) had initiated the foundation's $225,000 funding of Johnson's White-House Fellowship program to attract youth support for Johnson's election. Foundations are also an important source of Cabinet appointments. Besides those already mentioned, there is also John Foster Dulles, who left the Presidency of Carnegie's Endowment for International Peace to become Eisenhower's Secretary of State; and Dean Rusk, who moved from Assistant Secretary of State in 1953 to Rockefeller Foundation's Presidency, until Kennedy brought him back as Secretary of State.

Turning to the foundations on ODC's support list, it is found that only 4 out of the 23 are unlisted in the Foundations Directory. One of the 4--the Edna McConnell Clark Foundation--turns out to have been created in 1969 with a gift of $169 million in shares of Avon Products Inc, an ODC supporter(Nielsen,1972:24). Among the 19 other foundation-supporters listed in the Foundations Directory,13 are directly named after the parent corporation, including such staunch ODC supporters as Ford, Eli Lilly, Xerox, and Gulf Oil. The remaining 6 are all linked with large corporate interests, viz:

Rockefeller Brothers Fund
Rockefeller Foundation - Rockefeller interests

Compton Foundation -family foundation of Randolph P. Compton, Vice-President, Kidder,Peabody Co.

[29] Charles F.Kettering Foundation - created by Charles F. Kettering, a 27-year Vice-President of GM

Joyce-Mertz-Gilmore Foundation - closely connected with Caterpillar Tractor, a consistent ODC supporter

Robert Wood Johnson Foundation - received in 1971 over $1 billion in securities from R.W.Johnson,a founder of Johnson & Johnson

In short, virtually all of ODC's foundation-supporters are solidly connected with key corporate interests. Indeed, in 1974, five out of the top eight U.S. foundations by grants disbursed[30] were ODC supporters.

Finally, the major foundations are also well-known for their international activities, especially in UDCs. Some relevant statistics are provided in Table 12. It is clear that the Rockefeller and Ford Foundations have substantial interests in UDC affairs--a fact which accounts for their heavy funding of ODC operations. While an extended treatment of the development-ideology of ODC foundation-supporters is not possible here, nevertheless some general comments bear statement. In essence, UDC-activities of foundations like Ford and Rockefeller are steeped in modernization themes. Thus agricultural and rural "development" is perceived as a-political propagation of modern technological inputs(e.g.Green Revolution), while agribusiness MNCs and DC aid(e.g.Ford-Rockefeller agricultural research institutes) are favorably evaluated. And in line with the modernization theme of counter-revolutionism, mass dissent and class conflict should be diffused through gradual reforms(FF,1967,1978; RF,1974; Harrar,1956; Wortman & Cummings,1978).

Another prominent focus of foundation penetration

Table 12: ODC Foundation-Supporters making largest Grants for Third World Activities(1973-1976)

	Total annual Grant Amounts[a] ($ millions)	Amount of which for Third World ($ millions)
Ford Foundation	185.2	46.9 (25.3%)
Rockefeller Foundation	43.1	23.9 (55.5%)
Lilly Endowment	44.6	3.8 (8.5%)
Edna McConnell Clark Foundation	10.3	2.0 (19.4%)
Rockefeller Brothers Fund	13.8	0.9 (6.5%)

Source: Sommer(1977:163)

a. Grants refer here to grants spent by foundation on projects of other agencies etc., including the ODC

into UDCs lies in population-control programs. As Mass (1972) critically observed, the extensive Rockefeller-Ford funding of population-planning groups(e.g.IPPF,Population Council) is based on a neo-Malthusian logic of constraining UDC population so as to contain potential "political unrest". Last but not least, foundations have been heavily involved in educational aid programs. In his critical analysis, Berman(1979) showed that behind the programs to ostensibly assist Africa develop educationally, lay basic corporate motivations of ensuring access to African resources and of keeping Africa capitalist.

SUMMARY

In sum, this chapter has documented the corporate linkages within ODC's power-network. It is evident that the ODC is funded and/or supported by most of the top U.S. industrial and financial corporations, as well as the major foundations. These corporation-supporters have substantial and extensive investments or business interests in UDCs, while the foundation-supporters engage in or fund modernization projects designed to keep UDCs within the capitalist system and to facilitate stable and supportive environments for profit-making. The ODC is also linked to major consulting firms and law-firms which are closely tied to the big corporations,and to the centers of State decision-making. Many of these law or consulting firm-supporters themselves have direct business interests in UDCs. Finally, the ODC has also deemed it fit to obtain the support of dominant U.S. mass-media. This sub-category of corporate support is obviously indispensable to the ODC's ideology-propagation process.

Such comprehensiveness and "depth" of ODC corporate linkages, spanning all dominant sectors of U.S. industry and business, thus confirms the ODC to be an elite policy-planning group in the genre of,say,the CFR or CED. Neither a narrowly-focused special-interest lobbying group, nor an ordinary kind of NGO, the ODC was evidently born and nurtured to serve the broad, long-term interests of the U.S. ruling-class.

Chapter 5

THE NON-CORPORATE LINKAGES

INTRODUCTION

This chapter documents the "non-corporate linkages" of the ODC -- that is, ODC's supporters which are not directly engaged in full-time profit-making activities (e.g. corporations, firms) nor as immediately instrumental to such profit-centered organizations (e.g. foundations). Since many ODC non-corporate linkages are themselves dependent on financial support from corporate sources, their support of the ODC is typically expressed through sitting on ODC's Board of Directors without financing of ODC activities. Four major categories of ODC non-corporate supports are identifiable: (a) associations; (b) government-based institutions; (c) multilateral "development" banks; (d) research centers, think-tanks, universities or colleges (see Table 8, supra:99)

ASSOCIATIONS

The general term of "associations" is used to refer to nonprofit voluntary-membership organizations, and within this specific category of ODC non-corporate linkages, three further sub-divisions may be made to facilitate discussion. These are (i) foreign policy-planning associations, (ii) voluntary aid or "development"-related groups, and (iii) domestic special-interest organizations.

Foreign Policy-Planning Associations

In this subcategory, three associations are/have been directly represented on ODC's Board, viz the Foreign Policy Association (FPA), the Committee on United States - China Relations, and the U.N. Association for U.S.A. Of these three, the last-named is well the least important within the policy-formation network. It is a Council of 150 U.S. affiliates which "seeks, through information, education, and research, to strengthen (U.S.) capacity for advancing the ideals of the United Nations."[31] Major recent corporate funding for the U.N. Association included $25,000 (Lilly Endowment, 1974) for the U.N. university, $25,000 (Rockefeller Brothers Fund), $25,000 (Rockefeller Foundation 1975) for a World Environment report, and $162,700 (Rockefeller Foundation, 1974) for research on conventional arms control and limitation.[32] No doubt, the U.N. Association would yield constructive outlets for ODC-ideology propagation. But as a foreign policy-planning group, it has little known influence at elite levels. This is not so, however, with the other two foreign policy-planning supporters.

Thus the Foreign Policy Association (FPA), as noted in Chapter 1, is a large-standing policy-planning group having substantial interlocks with and complementary in function to the CFR. The FPA describes its own aim as

> [33] to stimulate interest in international relations, assist in development of greater understanding of foreign policy issues confronting the United States and encourage citizen expression of opinion on Foreign policy.

The key word here is "citizen", since whereas the CFR concentrates on upper-echelon leaders, FPA's membership centers on lower functionaries and ordinary electorate such as mayors, judges or teachers (Domhoff, 1967: 73; Shoup & Minter, 1977: 30ff, 70ff). FPA activities include its "Great Decisions" programme (weekly small-group seminars), conferences for organization/community leaders, contacts with schools and Community groups, and literature-mailing to Congressional personnel. Though Domhoff (1979: 175) has identified the FPA as "the most important organization involved in shaping public opinion on foreign affairs", it may well soon have to share this status with the ODC,at least on U.S. policies vis-a-vis the Third World.

As for the Committee on United States-China Relations, it is obviously a highly specialized group. Relatively recent in origin (founded 1966), the Committee has 300 members and describes itself as

> [34] a non-partisan educational organization encouraging public discussion and understanding of China, and U.S.-China relations.

To this end, it organizes public symposia and seminars for businessmen, educators, journalists, and political leaders. In its origins and power-network linkages, however, the Committee on U.S.-China Relations rests on solid elite foundations. As Shoup & Minter (1977: 207ff) documented, the Committee's formation was a key instrumental component of the shift in U.S. policy towards China -- from some 20 years of intransigient hostility to the thaw culminating in Nixon's visit of 1972. Though in the 50's, many CFR members favored greater flexibility in U.S.-China policy (e.g. "two Chinas" proposal), the dominance of "right-wing" influentials like John Foster Dulles and Dean Rusk (both Secretary of State) as well as the Korean War and McCarthism, sidelined such "flexibility" attitudes. The first active moves for change came only in 1962, when generous Ford Foundation funding launched studies exploring new possibilities for U.S.-China relations:

> The Council studies laid the basis for the change in policy, discussed in other, more public forums in the following years and eventually implemented under the leadership of President Nixon and Council protege Henry Kissinger.
>
> It is surely no coincidence that, just as the Council studies were coming to an end, there emerged, also with Ford Foundation funding, the National Committee on U.S.-China Relations. The Committee held its first national convocation in March 1969, bringing together more than 2000 participants to listen to speakers on "the United States and China: the Next Decade". While diverse points of views were presented, the clear thrust of the event was towards increased openness to China (Shoup & Minter, 1977: 210).

Not surprisingly, therefore, the Committee has substantial leadership interlocks with the CFR. Among the Committee elites closely linked to the ODC are John Diebold, an ODC Director since 1975 (supra: 112), and A Doak Barnett, the 1968/69 Committee Chairman and frequent contributor to ODC publications on China. In short, the Committee on U.S.-China Relations "was the leading group working publicly for new thinking on United States-China policy." It had, commented the New York Times, "quietly laid the groundwork and acceptance for a reexamination of China policy" (Shoup &

Minter, 1977: 211).

From the power-structural perspective, the fact that key foreign policy-planning groups, like the FPA or the Committee on U.S.-China Relations, are featured within ODC's support-network lends weight to the impression of ODC's own importance in elite policy-planning circles.

Voluntary Aid or "Development"-Related Groups

The second sub-category of associations on ODC's support list includes nine voluntary aid or "development"-related groups (abbreviated as VAA). Four of these are church-based (e.g. United Methodist Church; National Council of Churches). Two others are well-known non-church voluntary agencies, namely Africare, which concentrates on the Sahel and sub-Saharan Africa, and International Voluntary Services, whose activities are worldwide. Another two agencies fulfill more specialized functions -- the Population Crisis Committee, and the Foundation for Cooperative Housing. The ninth institution in this sub-category is not directly involved in aid projects, but nevertheless espouses "development"-oriented goals. This is the Society for International Development.

As shown in Table 13, VAA supporters of the ODC receive fair-sized funds from corporate sources. While no data is readily available to indicate the "weight" of corporate funding in total income of these particular agencies, a general empirical analysis by Lissner (1977:41) has shown

Table 13: Funding Sources of Six Voluntary "Development" Agencies Linked to the ODC

Agency	Major Funder(s)	Amount(1973/75)
Africare	Lilly Endowment	$356,000
International Voluntary Services	Rockefeller Brothers Fund	$ 15,000*
	Lilly Endowment	$100,000
	Ford Foundation	$ 45,000
National Council of Churches	Rockefeller Brothers Fund	$ 32,500
Population Crisis Committee	Cabot Charitable Trust	$ 14,000**
	Rockefeller Foundation	$ 25,000
	General Service Foundation	$ 24,200
United Methodist Church	Lilly Endowment	$ 45,000
U.S.Catholic Conference	Lilly Endowment	$100,000

SOURCE: Foundation Grants Index (1974;1975)

*1975 figures only
**1972 figures only

that in DCs as a whole and in the U.S. specifically, private sources usually make up about 80% of total funding. An exception to this is the International Voluntary Services, whic receives about 60% of its funds from USAID and only 18% from private U.S. donors (IVS, 1977). Such dependence of mainstream VAAs on corporate as well as governmental financial sustenance invariably fosters political constraints on their "development"-practice in UDCs (Lissner, 1977:89-124). Thus

> (VAAs) may be used (or let themselves be used) by the government towards ends with which the government cannot or prefers not to be associated -- they may change their priorities so as to suit the requirements of the government rather than their own initial policies or the particulars need they..encountered overseas (Lissner, 1977:95).

In the U.S. case, examples of such "constraints" include the State Department's prioritization of areas for milk-distribution by VAAs (e.g. Vietnam, Alliance-for-Progress UDCs) and projecting the "U.S. image" in politically-sensitive programs like education or community development. Likewise, close corporate ties can have coopting consequences. For example, VAAs depending on medical-product donations from pharmaceutical firms or processed food from food corporations, will find it difficult to challenge unethical or anti-developmental business and sales methods of donor companies. Exactly what processes of such political constraint may have acted on ODC VAA-supporters is beyond this study's scope. More appropos, though, is the "development-ideology" embodied in the aid practices. Here, a perusal of pamphlets and other related literature indicates a basic modernization ethos in aid projects of ODC's VAA-supporters.

Thus church groups like CWS or Church World Service (U.S. National Council of Churches) focus on so-called small "grass-roots development projects" in agricultural extension, housing, cooperatives, cottage industries, nutrition and health, as well as disaster relief distribution. Though couched in strong altruistic sentiments eschewing Cold-War or other self-interested motivations, CWS "development" theory-and-practice ignores the macro-political economic structures within which its projects are situated (CWS, 1976; MaCracken,1973). Hence a few UDC villages or communities may become modernized, but the goal of self-reliant national autocentric development is not served. Similarly, International Voluntary Services(IVS)'s claim that its "dedicated," "skilled" and "sensitive" volunteers can

> assist the poor in developing towards self-reliance (and) provide people with the chance of improving the quality of their lives and living conditions (IVS,1977a)

is belied by its neglect of the dependency-imperialism complex (Rigby, 1977; IVS, 1977b).

As for the Foundation for Cooperative Housing (FCH), its specialized focus of cooperative housing projects is no less modernizing in intent and consequence. Initially founded in 1952 to help low-income U.S. families, FCH began overseas work in 1962 in collaboration with USAID, multilateral aid agencies and UDC governments (FCH, 1976a, 1976b, 1976c).

FCH's basic "development" concept is "minimum shelter". that is since the government and affluent-oriented private sector cannot provide sufficient "standard" housing for the poor, then the latter can be helped to cope with and slowly improve minimum (ie. less than standard) housing. This "minimum shelter concept" falls clearly into a social-reformist paradigm, since no fundamental questions are asked about why governments or the private sector are unable to provide enough housing for the poor, nor any structural changes proposed which would lead to equitable distribution of shelter resources.

The population-related VAA on ODC's support-list, Population Crisis Committee (PCC), does not itself carry out projects in UDCs. In conjunction with its affiliate, the Draper World Population Fund (DUPF), the PCC raises funds and policy-support for population-control projects by the International Planned Parenthood Federation (IPPF) and other groups. From PCC/IPPF reports of such projects in UDCs like Colombia, Mauritius, India, Thailand or Sri Lanka, it is obvious that a neo-Malthusian logic is the overriding motivation (Tamayo, 1977; Rajcoomar, 1977; Kanitkar & Rele, 1977; Chinnataniby, 1977; Lewis, 1976). The primary-concern is in improving organizational tactics and contraceptive techniques for population-control, divorced from the political-economics of dependency and imperialism. Nor does the PCC/WDPF consider it morally objectionable for population-control groups to use contraceptives without due caution for the long-term health of UDC women (e.g. use of hormones banned in DCs) or to employ questionable means in indiscriminate sterilization campaigns (Mass, 1976: 51ff).

The ninth development-related group linked to ODC is the Society for International Development(SID), which does not undertake aid projects but rather serves as a forum and clearinghouse for both governmental and private "development" theory-and-practice. A general review of the contents in SID'd journal International Development Review (IDR) over 1970-79 indicates three major characteristics: "development" theory virtually conceptualized along modernization themes; "development" practices seen from "technique" and "organizational-efficiency" perspectives; the systematic non-regard for critical analyses of underdevelopment. Thus articles have been contributed by such "modernizing" corporate and/or State elites as World Bank's McNamara (1970), U.S. foreign-policy adviser Eugene Black(1970), ex-Marshall Plan, ex-Ford Foundation, and UNDP Administrator Paul Hoffman(1971)and Carribean modernization economist Sir Arthur Lewis(1974). IDR's pages are also replete with papers on organizational techniques to make modernization more efficient -- e.g. relationships between experts and UDC hosts (Jacobson, 1971; Kulessa, 1975); increasing industrial productivity (Oshins, 1970); and even "positive" lessons to be learned from the Brazilian model (Robock,1976). In none of these efficiency-technicist reports is there any analysis of class contradictions or imperialistic factors underlying the "development" problems to be solved by those techniques. And while a few IDR articles do mention some critical themes, their "radicalism" are ultimately piecemeal, utopian, or liberal-reformist (Goulet,1974; Hochschild,1978; Jameson & Blue,1978).

In sum, the voluntary-aid or "development"-related associations on ODC's support-list span a broad range of interests ("community development", technical assistance, population housing, information clearinghouse). But all project modernization themes in their theory and/or practice. With their good contacts among U.S. and UDC publics, such groups are undoubtedly helpful to the ODC's ideology process. Finally, it bears noting in this power-structure analysis of ODC's VAA supporters that at least three of them have substantial elite linkages. Thus the Population Crisis Committee was founded by William H. Draper Jr.[35], ex-Vice-President of Dillon Read(1937-53), CFR member, and U.S. representative to the UN Population Commission (1969-74). Surrounding Draper on the Executive Committee and Board of Directors are a group of corporate and State luminaries, as shown in Table 14. The comprehensive scope of elite affiliations is indeed impressive. A second ODC VAA supporter with important corporate linkages is the International Voluntary Services. Among IVS's Executive Committee are elites like Nicholas Katzenbach (Chairman), who is IBM's Corporate Vice-President and General Counsel, and formerly U.S.

Table 14

Officers & Directors of the Population Crisis Committee
whoare notable corporate or State elies

Officer or Director	Elite field(s)	Corporate or State Experience
William S.Gaud (National Chairman)	Corporate & State	N.Y.corporation lawyer; U.S.A.I.D. 1961-69; Administrator,1966-69; consultant World Bank 1974-76; Exec. V-P,International Finance Corporation ,1969-74.
J.George Harrar (Hon.Chairman)	Corporate	Rockefeller Foundation,1952-75; President, 1961-75; member CFR
Angie Biddle Duke	State	U.S.ambassador to El Salvador,Spain,Denmark; member CFR
Joseph D.Tydings	Corporate & State	Private law; U.S.Senator,1965-71; Counsel. U.N.Fund for Population Activities 1971-
Norman E.Borlaug	Corporate	Rockefeller Foundation Wheat Improvement Program;Director,International Maize $ Wheat Improvement Center,Mexico;Nobel Peace Prize,1970
Ellsworth Bunker	Corporate & State	Chmn,National Sugar Refining Co.1940-51; U.S. ambassador to Argentina,Italy,India,Nepal, Vietnam, 1951-68
(Mrs.)Otis Chandler	Corporate	Wife of publisher,Los Angeles Times
Henry H.Fowler	Corporate & State	Washington lawyer; U.S.Treasury Secretary, 1965-68; member CFR
James S.McDonnell	Corporate	Chmn, McDonnell Douglas Corporation
Richard N.Gardner	Academic & State	Columbia law & international relations professor; U.S.ambassador to Italy,1973-77.
George C.McGhee	Corporate & State	U.S.ambassador to Turkey,West Germany; Chmn, Saturday Review,1973-77
Robert R.Nathan	Corporate	Head, Robert A.Nathan Associates,economic consultants to Third World nations;member CFR
Frank A.Southard Jr.	State	U.S.Executive Director, IMF,1949-62.
Maxwell D.Taylor	State	Chief of Staff, U.S.Army,1955-59; Chmn, Joint Chiefsof Staff,1962-64; U.S. ambassador to Vietnam,1964-65.
William C.Westmoreland	State	Chief of Staff,U.S.Army,1968- ;Commander, U.S.Military Assistance Command,Vietnam, 1964-68

SOURCE: Draper World Population Fund Report, No.3(Autumn-Winter)1976;
WHO'S WHO IN NORTH AMERICA.

Attorney-General; and I. Wayne Fredericks from Ford motor. Both these power-elite are also ODC Directors. And on IVS's Board, there is Edgar Kaiser of Kaiser Resources and Sidney Willner, Senior Vice-President of Hilton International.

Finally, it is seen that the Society for International Development (SID) enjoys a broad base of ruling-class support in DCs and UDCs. Its institutional members include (a) UDC private and governmental banks, businesses and national "development" Ministries; (b) MNCs and foundations (e.g. Ford Foundation, IBM, Bechtel, Arthur D. Little); (c) DC "development" agencies (e.g. CIDA); (d) multilateral "development" banks; (e) university "development" centers (e.g. Stanford, Cambridge, Cornell and MIT). At the top leadership level, SID and ODC links are intensive. SID's Chairman, Lady Barbara Ward, often contributes economic analyses to ODC's publications. SID's Deputy Secretary-General, Andrew Rice has been a consistent ODC Director. And ODC's President James Grant was SID's vice-President in the late 70's. In the most recent (August, 1979) elections of 24 members of SID's Governing Council, the biographies of the 54 candidates representing Third World and First World regions are typically those of elites who are entered in WHO's WHO directories. Table 15 illustrates a sample of those 54 candidates. Hence, through the close linkage with the SID, the ODC has a significant contact-arena with members of UDC ruling-classes, particularly elites involved in "development" management. Such

Table 15: Biographies of Some Candidates for SID's Governing Council, 1969

Region	Candidate	Elite Credentials
AFRICA	E. Kodjo	Secretary-General, Organization of African Unity
	J. Rweyemanu	Former Principal Secretary, Ministry of Economic and Social Development, Tanzania
	A. Chanderli	Senior Adviser, Arab Fund for Economic and Social Development , Kuwait
ASIA	K.S.Islam	Former Executive Director(Pakistan) of Asian Development Bank
	Kuntoadji	President Director, Development Bank of Indonesia
	S. Unakul	Governor, Bank of Thailand
	S.K. Mukerjee	Former Vice-Chancellor, University of Calcutta
	G. Sicat	Minister of Economic Planning, Philippines
EUROPE	L. Emmerij	Rector, Institute of Development Studies, Sussex
	S. Hessel	French Ambassador to United Nations
	R. Jolly	Director, Institute of Development Studies, Sussex
	A. Peccei	Former Vice-President, Olivetti; President, Club of Rome
LATIN AMERICA	R. Arce	Bolivian Ambassador to U.S.A.
	G.A. Brown	Former Governor, Bank of Jamaica
	E. Inglesais	Executive Secretary, U.N.Economic Commission for Latin America
	C. Mendes	President, Candido Mendes University, Brazil
MIDDLE EAST	M. Alimadi	Minister of Economy & Foreign Trade, Syria
	S. Amir	Israeli Ambassador to Turkey
	S. Juma	Assistant Director, FAO; Former Minister for Agriculture & Supply, Jordan
NORTH AMERICA	J. Grant	President, Overseas Development Council
	M. Williams	U.S. Executive Director, World Food Council; former Chairman, OECD Development Assistance Committee
	R. Rowson	President, Pergamon Press; former President, Praeger Publishers

SOURCE: SID(1979)

contact allows ODC ideology to be diffused to UDC sites and to enter into the UDC "development" policy-formation process.

Domestic Special-Interest Groups

A third sub-category of ODC supporters which come under the "associations" category comprises a mixture of U.S. domestic "special interest" groups: two black-oriented associations (National Urban League; United Negro College Fund); two women's organizations (League of Women Voters; American Association of University Women); and two labor unions (AFL-CIO; UAW). Since these groups are primarily domestic in focus (although some have secondary interests in U.S. foreign policy or Third World issues), it is reasonable to deduce that the ODC views them as useful "conduits" for ODC "development ideology" to reach a broad section of the U.S. public. But additionally, in the case of labor-unions, there is a specific motivation related to ODC's development-ideology (viz the issue of foreign investments). This point is later discussed.

In the power-structural sense, these domestic special-interest groups stand below the ruling-class and except for the trade unions, are financially closely dependent on corporate support. The ensuing reviews of each of these ODC supporters will emphasize their corporate dependency and their subservient political-economic role in U.S. society.

Black-oriented groups. The ODC support-network includes two black special-interest group, viz the United Negro College Fund and the National Urban League. Together, they received between 1972 and 1975 about $1.7 million from corporate Foundations like Merck, Rockefeller, International Harvester, Lilly, Chrysler, Kresge, Mellon, Atlantic-Richfield, Kellogg and Ford.[36] The United Negro College Fund is primarily a fund-raising agency for 40 predominantly black institutions of higher learning. One of the Fund's most prominent director is Luther H. Foster, a consistent ODC Director and since 1953 President of the traditionally black college, Tuskegee Institute. The institute too has enjoyed substantial funding from corporate foundations totalling some $3.7 million over 1972-75[37].

The National Urban League (NUL) was formed in 1911 during the emergence of organized black protest and reform movements (Weiss, 1974: 3-46). It "aims to eliminate institutional racism" against blacks in U.S. society[38]. The League's most prominent leader is its Executive Director, Vernon E. Jordan, who was formerly Executive Director of the United College Negro Fund and an NAACP activist in the 60's. A long-standing ODC Director, Jordan also sits on the boards of American Express, Bankers Trust, Celanese, and Xerox.

With regard to their professed goals of instituting equality for blacks, the record of such reformist black groups has been poor. "Despite new civil rights laws, elaborate White House conferences, special ghetto manpower programs, the War on Poverty, and stepped-up tokenist hiring, racism and the economic exploitation of blacks has not lessened" (Reich, 1975). As Weiss (1974: 304) concluded, the NUL over 1910-40 "could not prevent the transformation of black Americans from an enslaved agricultural peasantry to an oppressed urban proletariat." And in the area of black education, sponsorship by corporate elites at the turn of the century (which helped for example Tukegee's founding) was designed to integrate blacks into monopoly capitalism (Carnoy, 1974: 291ff). The continued sponsorship of black schools by corporate interests through agencies like the United Negro College Fund follows the same logic of perpetuating class stratification, while accommodating to underclass demands for "more education" (cf. Wolfe, 1971).

The presence of black-oriented associations on ODC's support-network, hence, does not provide any substantial elite linkages, and seems more designed to legitimate ODC ideology with respect to African nations in the Third World.

Women-oriented groups. The ODC also has two woman-oriented associations represented on its Board. Of the two, the League of Women Voters of the U.S. (LWVUS) is the largest and more socially prominent, receiving over 1973-75 some $310,000 from the Lilly Endowment, Rockefeller Brothers Fund, Rockefeller Foundation, and Ford Foundation.[39] The

LWVUS lists itself as a voluntary organization of women citizens formed "to promote political responsibility through informed and active participation of citizens in government." Its 160,000 members study selected issues at local, state, and national governmental levels, and take legislative positions on issues if there is concensus among membership at the respective levels[40]. In its power-structure, the LWVUS has a middle-level status, as seen in the fact that out of the dozen officers and trustees of the League's Education Fund, only one is herself listed in WHO'S WHO. This is Ruth Clusen, a State Department official on environmental and women's affairs. Three other trustees have husbands who are also listed in WHO'S WHO, but they were all only scientists with no prominent power-elite corrections. Association with the League, however, may lead into fairly high-level State recruitment, as in the case of the 1968-74 President, Lucy Wilson Benson -- who became UnderSecretary of State (Science & Technology) in 1977, and UnderSecretary of State (Security Assistance) in 1978.

Although LWVUS'S primary focus is on domestic political issues, it has also (via its Education Fund) participated in UDC projects with Lilly and Rockefeller Foundations' funding. Such projects include

> [41]training programs in civic responsibilities for leaders of women's organizations in Central America and the Carribean...... development by local agencies in emerging Asian countries of better techniques for effective citizen participation in community affairs and government.....

The LWVUS's "usefulness" to the ODC appears to lie in two main areas: (a) in helping ODC ideology-propagation among a specific sector of the U.S. electorate, as well as in UDC contexts; (b) in its lobbying activities. With regard to the latter role, the LWVUS has been active in trying to shape U.S. foreign-policy formation, and a review of its literature and presentations to Congressional hearings clearly show a predilection for modernization themes. Hence foreign aid is lauded as beneficial to UDCs; existing UDC governments are viewed as commited to mass "development"; class conflict, dependency and imperalism are ignored (LWVEF, 1971). And on Capitol Hill, well before ODC's inception, the League has consistently lobbied Congress for increased U.S. aid, liberalized trade, multilateral assistance and other modernization proposals[42] -- a fact which no doubt explain its choice as a natural ally for the ODC.

Likewise, ODC's second women-oriented supporter, the AAUW (American Association for University Women), allows the ODC contact with a select group of middle-level U.S. citizens. Although less socially prominent than the LWVUS, the AAUW also receives corporate funds for public education on UDC issues[43] and testified before Congress in support of U.S. aid[44]. Hence the AAUW is functional too in ODC's ideology-process.

Labor Unions. The third type of special-interest groups that has shown support for the ODC are major trade-unions like the AFL-CIO and UAW. Here, an interesting contrast is provided by the short (1 year) term of AFL-CIO's Vice-President Joseph Bierne on ODC's Board (1974) compared to the long-standing directorship of UAW's President Leonard Woodcock (1971-1978). This difference, as later discussed, likely lies in the varying emphases of these unions on UDC issues. But first, some general power-structural comments are in order.

To begin with, there is now concensus within the critical paradigm that established trade unions like AFL-CIO and UAW, while not part of the U.S. ruling-class, have in part helped to integrate U.S. workers into the corporate capitalist system. Early union leaders, even reputedly "militant" ones, collaborated readily with corporate elites to promote industrial "peace" and the goals of production efficiency (Aronowitz, 1973:257; Radesh, 1966). Collective bargaining has become the principle device for "class collaboration between trade unions and corporations" (Aronowitz, 1973: 218). But if domestically, a basic sense of collaboration exists between union leadership and corporate or State elites, an even more explicit mutual understanding has characterized the foreign-policy front.

This is most apparent in the solid Cold-War premises held by AFL leaders around Meany, and even the liberal Walther Reuther of UAW, which led to the purge of radical labor-elements in the 30's and 40's and to promoting "free" (ie. anti-communist) labor unions in post war Europe and UDCs (Radosh, 1969, Morris, 1967). An ODC Director which featured prominently here is Arthur Goldberg who as CIO's General Counsel engineered the purge of "uncooperative" unions, later helped merged the AFL and CIO, and in the 60's attained State-elite status -- as Secretary of Labor (1961); U.S. Supreme Court justice; U.S. Ambassador to U.N. (1965-68)[45].

On foreign-policy issues, AFL-CIO leaders therefore favor a vast armaments program and counter-revolutionary efforts in UDCs to protect U.S. imperialistic interests. A particularly significant collaboration between corporate interests, State apparatuses (USAID, CIA), and the AFL-CIO lies in the American Institute for Free Labor Development (AIFLD). This was set up in 1962 by the AFL-CIO, with support from the U.S. government and participation by corporate elites (e.g. Chairmen of W.R. Grace, Anaconda, Pan-America) to

> strengthen the democratic labor movement of Latin America in order to raise the living standards of the worker and his family, including the neglected campesino ... (AIFLD, 1967: 1103).

In practice, however, such nice-sounding aims are counter-revolutionary in intent and methods. Thus AIFLD'S courses for Latin American labor leaders essentially produce "a corp of salaried anti-Communist activists" trained in pacifying UDC workers and promoting the interests of U.S. foreign-policy. Furthermore, the CIA has channeled "political destabilization" funds to local labor groups via AIF-CIO affiliates and the AIFLD, as AFL-CIO leaders consistently worked to oppose radical unionism or social revolution in Latin American States (Radosh, 1969: 372-434; Morris, 1967; Siegel, 1974). Likewise, the setting-up of AIFLD-type organizations for Asia (AAFLI-Asian American Free Labor Institute) and Africa (AALC-African American Labor Center) in the 60's was designed to keep Asian and African trade-unions within the "free" (ie. anti-Communist) mould and help maintain an acquiscient labor force for corporate investment (Dudman, 1969, Greider, 1969; Nossiter 1969).

Given that ODC perspectives (as later elaborated in Section III) tend to downplay "Containment" philosophy, it might seem "contradictory" to be linked to the AFL-CIO with its explicit Cold-War ideology and practice. Two explanatory factors can be suggested. A mitigating factor is that besides indoctrinating UDC labor-unionists into anti-Communism, AIFLD and counterpart Asian or African institutes also engage in "social-reformist" or "community-development" and projects in UDCs. For example, AIFLD-USAID projects in the 60's included construction of over 13,000 housing units worth over $50 million in 12 Latin American UDCs, and over 200 small projects like community centers, producer and consumer cooperatives, credit unions, and health clinics (Doherty, 1969: 463ff). Similar projects proceeded under AALC in Africa (Biemiller, 1967). This type of reformist modernization program would sit very well with the ODC.

But certainly the most important factor for the presence of trade-unions in the ODC's support-network must lie in ODC's desire for union support in the specific issue of foreign-investment. Without expanding on details (see Chapter 9), it suffices to note two key elements in ODC's ideology: (a) increased U.S. foreign investment in UDCs; (b) liberalized trade, requiring domestic adjustments in the U.S. economy (e.g. labor displacements in certain industries). Both elements have important impact on the welfare of U.S. workers; hence the need for organized labor's cooperation. Indeed, it is with regard to this issue that the short term of AFL-CIO's presence on ODC's Board (1 year) versus the long-standing directorship of UAW's Woodcock is likely explained.

Thus increasingly through the 70's, the AFL-CIO has attacked U.S. MNCs for draining excessive capital and jobs abroad in cheap-labor UDC investments, and in aggravating U.S. unemployment through the resultant imports of branch-plant products back into the U.S. In Congress, the AFL-CIO has pushed for protectionist legislation to regulate UNC investment flows (Biemiller, 1972, 1975; Collins, 1974). Such a stance diverges of course from ODC's corporate-backed "development ideology". Hence it is possible to speculate that AFL-CIO's brief stay on ODC's Board may stem from ODC's firm support for liberalized trade and adjustment assistance, for MNC foreign investment and "tolerance" of communism where U.S. interests are not jeopardized.

In contrast, ODC's other and long-standing union supporter, the UAW, has displayed a less Cold-War more liberal internationalist position on trade and investment than the AFL-CIO (UAW, 1965: 748). Granted, the UAW has also criticized negativities of MNC investments on the position of U.S. labor, but it does so in considerably less protectionist and hardline tones (UAW, 1972). Furthermore, in the person of Leonard Woodcock, the ODC has had a staunch ally on foreign aid and on UDC modernization themes (Woodcock, 1973). Woodcock stayed on ODC's Board from 1971 until 1978, when he left to become the first U.S. Ambassador to Peking.

In sum, the ODC has also sought the support of key labor-unions. While the AFL-CIO does endorse basic modernization themes in UDC "development", it seems likely that its hardline criticisms of U.S. MNC investments abroad and the favoring of increased U.S. protectionism has generated differences with ODC's free trade and investment posture. The more liberal-internationalist UAW has, however, been a more consistent supporter.

GOVERNMENT-BASED INSTITUTIONS

The second category of non-corporate ODC supporters comprises three U.S. government-based or related groups or institutions. Of these, one appears to be listed not because of that group's direct concern with development issues, but rather because its representative on ODC's Board has personal abiding interests in UDC affairs. This is the "Post-Conference Board of the White House Conference on Aging", which is represented by Arthur S. Flemming -- president of Oregon University since 1961, and formerly Secretary of Health, Education and Welfare (1958-61). Flemming's "development" interests stems from his membership on the National Advisory Committee of the Peace Corps since 1961, and in his Presidency of the National Council of Churches, which has voluntary aid activities in UDCs (Supra: 135).

The second government-based ODC supporter is the U.N. Fund for Population Activities, which donated funds to the ODC in 1974-75. Given the ODC's interest in population issues (Chapter 9), it is not surprising that the U.N. Fund should have been solicited for financial support. But in a power-structural sense, such support is not particularly significant.

It is the third government-based institution, however, that embodies most relevance and importance to the ODC's power-network -- namely, the U.S. Agency for International Development (USAID). Created in 1961, USAID functions as the key U.S. Governmental agency (under Department of State auspices) directing and coordinating official U.S. aid programs. Since details have already been given earlier (Chapter 1, supra: 51ff, 58ff), it suffices here to recall that U.S. foreign aid, from its inception in the post-WW II years, has served to facilitate U.S. politico-military and economic hegemony of UDCs. Aid to secure raw-material supplies; aid to promote U.S. food and other exports; aid to arm collaborative client regimes -- these were all already integral instruments of U.S. Containment-policy prior to USAID's establishment USAID's formation was therefore more of an organizational imperative to coordinate the increasing scope and multi-dimensions of U.S. aid. Basic Cold-War logic is employed in justifying USAID programs -- whether economic or military, it is to preempt external aggression and "subversion", "to withstand the forces that prey on illiteracy, poverty, hunger and desperation" (USAID, 1963). Fifteen years later, the following remarks by USAID Administrator Daniel Parker provide a thinly veiled reminder of the early Cold War rationale for aid:

> Basic to our foreign policy objectives is the desire to achieve peace in the world ... The foreign assistance program of the United States is essential to the achievement of that objective. We must assist as we can to develop stable, national and regional economics and raise all people of the world to a level of self-sufficiency and thus reduce their vulnerability to external political manipulation ... (USAID, 1976; italics added).

Granted, in the 60's and 70's, USAID did emphasize more "social development" and reformist goals in UDCs. However the tactics employed -- spanning diffusion of new agri-technology (e.g. Green Revolution), "Community development", "human resource development" (e.g. education, training), population-control and cooperatives-establishment[46] -- basically follow modernization themes, and embody in their processes the mechanisms for perpetuating U.S. economic hegemony and penetration, ie. promoting U.S. MNC interests or U.S. export-promotion and keeping UDCs capitalistic.

In "development-ideology", therefore, USAID serves well U.S. corporate interests, and its presence within ODC's power-network is most natural and logical. For the ODC, support from USAID -- a key State apparatus for facilitating hegemony over UDCs -- must surely be deemed valuable and necessary. In this regard, a couple of power-structural facts about USAID deserves note. To begin with, USAID Administrators (with rank equal to UnderSecretary of State) have invariably solid elite background. The first Administrator, David E. Bell served in the White House, in Harvard's Graduate School of Public Administration, and as the 1961-62 Director,Bureau of Budget, before assuming USAID's leadership. After his USAID term, Bell went on to become Executive Vice-President of Ford Foundation by 1969. The third Administrator, John A. Hannah, was long time President of Michigan State University (1941-69) and Chairman of the U.S. Commission on Civil Rights (1957-69) before joining USAID (1969-73). After USAID, Hannah became Executive Director, U.N. World Food Council in 1975. The next Administrator, Daniel Parker, was Chairman of Parker Pen Co. at time of appointment (1973) and returned in 1977 to his company's Honorary Chairmanship. The fifth and current Administrator, John J. Gilligan, has a private law background and was Ohio Governor over 1971-75.

But even more relevant, however, are the close power-structural linkages between ODC and USAID. Thus Bell -- as a member of the 1968 President Johnson's Aid Commission (headed by James Perkins, a long-standing ODC Director) -- was a founding director of the ODC (Weissman, 1974: 24ff). Parker interupted his membership on ODC's Board to become USAID Administrator, and has now reassumed ODC directorship. Last but not least, ODC President James Grant has worked with USAID missions in UDCs from 1954 to 1969, and from 1967-69 was an Assistant Administrator for USAID. On the basis of such linkages, one can therefore expect close rapport and mutual support between ODC and USAID.

MULTILATERAL "DEVELOPMENT" BANKS

Since its formation, the ODC has consistently enjoyed the financial support of the three major multilateral "development" banks (henceforth abbreviated as MDBs). The largest of these is the International Bank for Reconstruction & Development, commonly known as the World Bank or IBRD. The other two serve more localized interests, namely the Inter-American Development Bank (IDB) and the Asian Development Bank (ADB) which respectively cater to Latin American LDCs and Asian LDCs.[47] Though thelargest of these three banks (IBRD) was originally also geared towards aiding post-WWII DC reconstruction, such MDBs are now essentially

> designed to make loans from capital provided by member governments and through borrowings in private capital markets for the primary purpose of encouraging and stimulating the economic growth of less developed countries" (Comm. Foreign Affairs, 1974a:3).

IBRD & the World Bank Group

To understand MDBs in power-structural terms, it is necessary to begin at their origins. The IBRD was one of the two complementary financial institutions founded at the Bretton Woods Monetary and Financial Conference of Allied DCs in 1944. The first institution created was the International Monetary Fund (IMF) designed to

> promote international currency stability by helping to finance its members' temporary balance-of-payments deficits and by providing for the progressive elimination of exchange restrictions and the observance of accepted rules of international conduct (IBRD, 1962:1).

The second Bretton Woods-founded institution was the IBRD or World Bank, designed to help finance the reconstruction and development of member countries -- tasks beyond the capacity of private capital unless governmental guarantees were available for such international investment:

> The Bretton Woods Conference felt that the problem could best be solved by the creation of a new type of international investment institution which would be authorized to make or guarantee loans for productive reconstruction and development projects, both with its own capital funds and through mobilization of private capital ... As the records of the Bretton Woods deliberations indicate, the emphasis from the beginning was not so much on what the Bank could lend directly out of its paid-in capital as on the concept of the Bank as providing a safe bridge over which private capital could move into the international field. Indeed, it is one of the unique features of the Bank that although it is an intergovernmental organization, it must rely upon the private investment community for most of its

financial resources (IBRD, 1962:3).

Thus, from its very inception, the IBRD was seen to be an institution closely allied to private capital.

More than that, in terms of world capitalist dynamics, the formation of the IMF and IBRD was really an outcome of the U.S. 's push for global hegemony (Nissen, 1974; Hudson, 1972: 49-76). In post-Depression years, the U.S. had already begun to see the necessity of freer international trade and the avoidance of destructive financial and trade wars among leading industrial DCs. "To avoid stagnation and depression, the American economy required free access to needed raw materials and markets for both surplus capital and goods" (Nissen, 1974: 38). In the wake of the war, U.S. plans for IBRD and IMF were justified on the grounds that war-destroyed Europe required resources to buy U.S. exports and thereby utilize U.S. productive-plant built up during the war (Hudson, 1972: 60). The negotiations leading up to Bretton Woods were primarily between the U.S. and Britain (whose colonial empire constituted the largest trading bloc). But with Britain weakened by the war and dependent on U.S. aid for survival, it was U.S. conceptions of non-discriminating access to all markets and international currency stability which ultimately prevailed. At the signing of Bretton Woods in July 1944, the 44 participant nations essentially rubber-stamped the results of British and U.S. negotiations over the previous three years.

From its ~~inception~~, therefore, the IBRD and IMF were dominantly shaped by U.S. expansionist interests. One indicator of U.S. dominance in the MDBs is its decisive voting strength in IBRD and other World Bank group institutions, viz the International Finance Corporation (IFC) formed in 1956 to aid UDC private-sectors, and the International Development Association (IDA), formed in 1960 to provide soft concessional loans to poorer UDCs. Table 15 shows the relative voting powers of various nations or blocs in 1961 and 1977, attesting to the dominant status of the U.S. in World Bank management as well as the general dominance of DCs over UDCs. Also since a 80% majority is required for most rulings, the U.S. enjoys veto power in both the IMF and IBRD.

Another indicator of U.S. dominance in particular and First World dominance in general is seen in the staffing (especially professional staff) of World Bank institutions, as shown in Table 16. In the upper echelons of Bank staff, such dominance is even more obvious -- in April 1973, DC nationals held 68 of the top 80 management-staff positions in IBRD and IDA; of these, U.S. nationals comprised a massive 41½ percent[48]. A further reflection of DC dominance operates through the education and training of World Bank staff. Thus an exploratory survey[49] shows that over 1969-1978, out of some 149 DC professional staff in the IMF and World Bank group, 83 received graduage training in elite U.S. universities like Harvard, Columbia, Yale and John Hopkins. The remaining graduated from other DC

Table 15: Voting Powers of Various Nations or Blocs in IBRD in 1961 and 1977

	Voting Power(%)		No. of Nations	
	1961	1977	1961	1977
United States	28.6	22.6	1	1
United Kingdom	11.8	9.1	1	1
Other First World nations	33.7	34.2	22	23
Third World nations	25.3	33.6	48	102

SOURCE: Figures aggregated by author from IBRD and World Bank data for individual nations (IBRD, 1962:109; World Bank, 1977: 132)

Table 16: Distribution of Staff (by Nationality) in IBRD and IDA (as of April 30, 1973)

Country or Bloc	Total Professional Staff		Total Non-Professional Staff		Total All Staff	
	No.	%	No.	%	No.	%
United States	431	26.2	410	23.5	841	24.8
United Kingdom	221	13.4	166	9.5	387	11.4
Total First World Nations (26)	1221	74.2	934	53.6	2155	63.6
Third World Nations (70)	416	25.3	802	46.1	1218	36.0

SOURCE: Comm. Foreign Affairs (1974a: 214-215). Categories and percentages aggregated by author.

schools, notably LSE and Oxford. And for the 46 UDC personnel, 40 obtained graduate training in U.S. or other DC elite universities, especially Harvard and Yale. Hence, besides hegemony through voting power, the U.S. and other DCs also exert "intellectual-expertise" dominance in MDBs, through the modernization political-economics embodied in professional training from DC elite graduate schools.

But the most relevant power-structural indicator of U.S. hegemony in MDBs clearly lies in the top management post of the World Bank -- its Presidency. To date, all five World Bank Presidents have been U.S. elites, of which one who served from 1949 to 1962 (Eugene Black) was the founding Chairman of ODC. Even more crucial, however, is the fact that all were recruited from the ranks of U.S. corporate, especially finance, elites. Indeed as Nissen (1974) documented, the initial operational years of the World Bank witnessed the struggle for, and attainment of control by U.S. finance capital. Thus the short term (6 months) of the first President, Eugene Meyer (a former banker, State fiscal elite, and Washington Post's publisher) was motivated by the relative "powerlessness" of the Presidents role vis-a-vis U.S. State supervision. The second President, John McCloy (former Assistant Secretary of war, New York banker, later CFR Chairman over 1953-72) accepted his post only on certain conditions, namely (a) replacing the U.S. Executive Director of IBRD by Eugene Black, Chase Manhattan's Vice-President, (b) recruiting the Vice-President of General Foods as IBRD's Vice-President, and (c) orienting bank lending policies along more traditional finance-capitalist lines. Thus the World Bank became effectively controlled by U.S. finance elites, and its operations tailor-made to serve as a "safe bridge" for private capital to invest in UDCs. In 1949, McCloy was replaced by his Chase protege, Eugene Black, and in 1963, Black was succeeded by George Woods of the Rockefeller-Mellon First Boston Corporation. Robert McNamara took over in 1968, the first non-Banker to be President since McCloy, although with no less significant power-elite credentials (President, Ford Motor; twice U.S. Secretary of Defence). Given his reappointment for a further 5 year term from 1978,[50] McNamara has evidently performed well in the eyes of the U.S. financial-elite community. Indeed, the success of the World Bank in serving as a "safe bridge" for DC private investment in UDCs can only be described as phenomenal. AS shown in Table 17, gross borrowings of the bank have multiplied ten fold between 1964 and 1977. The principal source of borrowings (about 75% of total funds, 1977) has been the private capital markets located primarily in the U.S. (over 50%), Switzerland, and Germany. The remainder comes from governments and central banks, notably OPEC. In short, private finance capital has substantial stakes in the affairs of the World Bank.

From the ODC's perspective, the greatest relevance of its linkage with the World Bank and other MDBs clearly lies in the banks' "development theory-and-practice" in UDCs. As the largest provider of borrowed funds for UDC

Table 17: Gross Borrowings of the World bank, 1964-77 (U.S. $ millions)

Year		Gross Borrowings
1964-68	Annual average	490
1969-73	Annual average	1359
1974		1853
1975		3510
1976		3811
1977		4721

SOURCE: World Bank (1977: 91)

"development", the World Bank is certainly a crucial outlet for ODC ideology into actual "development" practice. Since details of MDB development-ideology are provided in Section IV as part of my critique of ODC perspectives on multilateral-aid, it suffices here merely to note that modernization themes are no less dominant in World Bank or IMF activities. As the emergent critical analysis shows, multilateral "development" institutions are geared towards keeping UDCs open to DC imperialist penetration and perpetuating dependency (Hayter, 1971; Payer, 1974). And in the recent World Bank re-orientation towards "attacking mass poverty", labelled as the so-called "basic-needs strategy", there is in fact, as later discussed, strong concurrence with ODC's development-ideology.

IDB

Also on ODC's support-list are two smaller, regional MDB's, with essentially similar structures to the

World Bank group. The elder of these two, the Inter-American Development Bank (IDB) was formed in 1959 "to foster economic and social progress in Latin America on a multilateral basis" (IDB, 1977). Originally, IDB membership totalled 20 Western hemisphere nations -- the U.S. and 19 Latin American republics. Since then, 5 other hemisphere nations joined and with the admission (as non-borrowing members) in 1976/77 of 12 non-regional industrialized natins (e.g. France, Germany, Japan, U.K.), the IDB's current membership is 37.

IDB's formation sprang from a conjuncture of (a) an expression of Latin American "nationalism" for a regional, less-fiscally conservative "development" bank; (b) U.S. recognition of the increasing disatisfaction among Latin American allies over U.S. "neglect"; and (c) the indispeneability of Latin American UDCs in fostering U.S. containment policies in the region (Dell, 1972: 3-36; Comm. Foreign Affairs, 1974a). As a Congressional document puts it,

> support for a hemispheric development bank was one of the initial considerations in the general reassessment of U.S. Inter-American policy, which was to culminate in the Alliance for Progress. The new bank was intended in part to direct the forces of continental nationalism and progressive aspirations into productive channels (Comm. Foreign Affairs, 1974a: 20).

In other words, the IDB was an instrument for further cooptation and integration of Latin American UDCs into the U.S. imperial orbit. As in the case of IBRD, U.S.-voting power in IDB is decisive -- almost 40% in 1972. This compares to 55% for all 22 Latin American members, of which only Argentina and Brazil had votes over 10% each (Comm. Foreign Affairs, 1974a: 208). Furthermore, the U.S. is dominant at IDB staffing-level. While by convention, the bank's President is a Latin American, the Executive Vice-President is traditionally a U.S. privilege. Among total staff U.S. personnel alone occupy some 19%; among professional staff, the percentage is 26%. And some 42% of top management personnel are U.S. nationals[51].

Like the World Bank, IDB also relies (albeit less extensively) on borrowings from capital markets. The quantities involved -- $2.7 billion gross as of Dec 31, 1976 -- indicate that DC finance capital has no less significant stakes in IDB's well-being. In this regard, the entry in 1976-77 of several European DCs as well as of Japan on the basis of capital subscriptions without borrowing privileges, would seem to reflect an acceptance in practice by non-U.S. DCs of the "trilateralism" concept for ordering world capitalism. That is, all major First World nations should share more of the burdens of making the world (especially the Third World) "safe" for capitalism (Shoup & Minter, 1977: 260ff). As discussed in Section IV, IDB's development-ideology as expressed in its socio-economic "development" projects basically promotes modernization themes, and thereby a dependent capitalistic order in Latin American UDCs.

ADB

The other regional MDB on ODC's support-list is the Asian Development Bank (ADB), founded more recently in 1966. The ADB's origins stemmed in part from ECAFE (Economic Commission for Asia & Far East) meetings aimed towards fostering growth of international aid resources for Asian economic "development". Unlike other regional banks

> the ADB was not created to promote regional integration or social reform or to ameliorate hemispheric relations or increase local self-determination... A straight forward financial institution, the ADB has as its chief purpose the financing of economic projects based on comparative rates of return. The developed lender countries predominate (Comm. Foreign Affairs, 1974a: 26).

Thus from inception, ADB was open to all U.N. members regardless of region. The original signatatories included 19 Asian UDCs and 12 DCs. They were joined by 1973 by another 2 European DCs and 7 Asian UDCs. In 1978, total membership was 43[52].

But not withstanding the "straight forwardly financial" style of its operations, the ADB's creation was ultimately a political-economic expression of U.S. hegemonic designs for the region. As even a Congressional document admitted:

> U.S. initiatives played an important role in the actual creation of the Asian Bank, partly stemming from the growth of U.S. involvement in Vietnam and the affairs of Southeast Asia in the mid-1960s. Although the United States had previously been cool to participation in an Asian regional bank, U.S. policy was completely reversed between March and April 1965. In his April 1965 speech at John Hopkins University, President Johnson proposed "a greatly expanded cooperative effort for development" in

> Southeast Asia, including a "$1 billion American investment in this effort when it is underway". Forseeing an increased role for the United States in that part of the world growing out of the U.S. involvement in Vietnam, U.S. policy-makers therefore sought to multilateralize aid by creating a bank which would play a special role in Southeast Asian development, particularly in the Mekong River Basin, and would be a principal vehicle for multilateral postwar efforts in reconstructing and redeveloping Indo-China. So great was the interest of the U.S. government that the April 1965 endorsement of the proposal evolved rapidly into outright sponsorship, and U.S. representatives played a considerable role in bringing the Bank into being (Comm. Foreign Affairs, 1974a: 27)

A further motivation behind the U.S. 's leading participation in ADB was to facilitate Japan's increased aid-role in Asia, but without giving the ADB the appearance of an organization dominated by Japan to extend its "sphere of influence" over Asia -- something Asian LDCs "feared".

In sum, the ADB functions as an instrument of extending or consolidating U.S. hegemony in the Asian region with the collaboration of Japanese imperialism. Compared to the other MDBs, the ADB has a reduced U.S. financial role and dominant funding from Japan, who supplies ADB's President. Still, DCs collectively exercise nearly 52% of the total voting power[53]. And at the staffing level, DC dominance is absolute. Thus in 1973, Japanese, U.S. and 6 other DC personnel comprised over 40% of total ADB staff[54]. In 1974, out of 216 professional staff, only 88 come from the UDCs; while 28 out of 39 senior officials were DC nationals.[55] Thus just as in the World Bank and the IDB, DC dominance is also expressed through the realm of "development" - expertise. Again, leaving details to

Section IV, it suffices here to note that ADB development-ideology similarly pushes modernization themes in its aid projects. As one significant catalyst and overseer of the directions of UDC "development" in the Asian region, as well as a conduit for DC corporate investments in Asian UDCs, the ADB's presence within ODC's corporate-dominated power-network is both logical and constructive.

ACADEMIC INSTITUTIONS AND THINK-TANKS

The third and last category of ODC non-corporate supporters comprises representatives of 18 U.S.-based think-tanks and academic institutions. As much critical research has documented, elite universities and research institutes play important functional roles in the U.S. power-structure. Closely linked to and dependent on the military-industrial complex, they fulfil ideological and scientific-technological functions serving ruling-class interests, reproduce class inequalities, and participate in the shaping and implementation of U.S. State domestic and foreign policies, including even counter-insurgency activities in UDCs (Smith, 1974; Engler, 1968; NACLA, 1970; Hoch, 1970; Klare, 1972; Rack, 1977; Berlowitz, 1976; Bowles & Gintis, 1976; Horowitz, 1967; Useem, Hoops & Moore, 1976). Given the ODC's role as a policy-planning group, designed to produce proposals and designs for American global conduct, it is therefore not surprising that it should solicit the support of so many elite intellectuals, and thereby have a deep pool of scholarly expertise at its disposal.

Of the 18 academic-think tank supporters, a few are important or relevant to the ODC primarily in the person of its representative on ODC's Board. This seems to be the case for Marvin Bordelon (Berea College) whose ODC directorship is likely due to his former position as Director of International Affairs, U.S. Catholic Conference. Likewise, Tuskegee Institute, although a top-ranking black college, does not come near Harvard or Princeton in the elite-institutional sense. But its president Luther H. Foster, has attained power-elite status through his directorship on the board of the think-tank Resources for the Future, and his membership on President Johnson's 1965 General Advisory Committee on Foreign Assistance. In fact, it was members of this Perkins Committee, including elites like Eugene Black, David Bell, and James Perkins, who organized the ODC. Foster has been an ODC director since ODC's formation.

A third supporter in this genre is the Washington Research Project, for which no information is readily available except that its representative on ODC's Board is Marian Edelman -- the respected Director of the Center for Law & Education in Cambridge, Massachusetts. Edelman's linkage with the ODC is probably due to her membership on the Advisory Council, Woodrow Wilson School of Public & International Affairs, Princeton University. Fourthly, the University of Notre Dame which has no special expertise in development issues, is represented because its President is ODC's Chairman, Father Theodore Hesburgh (of whom more is said later).

The remaining 16 academic or think-tank institutions comprise (a) 6 state or private universities(e.g.Caltech, Michigan State; Minnesota; Georgetown); (b) 5 specialized schools or research centers associated with elite universities like Harvard, Princeton, and John Hopkins; (c) 3 elite think-tanks, viz Brookings, Aspen Institute for Humanistic Studies, and Resources for the Future; (d) the Worldwatch Institute, a small think-tank set up in 1974 by ODC Senior-fellow Lester Brown after he left the ODC. Funded principally by the Rockefeller Foundation ($500,000, 1974-77), the Worldwatch Institute has allowed Brown to pursue his pet topics of analyzing world food and population problems in the context of "global interdependence". Brown represents the institute on ODC's Board.

Prior to a brief power-structure review of some of these academic or think-tank institutions, however, it is appropriate to begin with a look at the individual academic or think-tank experts who sit on ODC's Board. Do these intellectual elites have any direct links with corporations (e.g. firm directorships) and/or with the State apparatus, particularly with respect to Third World affairs? Table 18 summarizes data relevant to this question. It shows that out of 25 individuals, only 5 are directors on Boards of major corporations, and of these, 3 are Rockefeller-based

Table 18: Corporate and Governmental Linkages of ODC Scholar-Researcher Directors

Scholar/Researchers	Affiliation	Corporate directorships	Governmental Roles		Aid Roles
			Posts	Adviser/Consultant	
C.Fred BERGSTEN[a]	Brookings Inst. fellow, Foreign Policy Studies CFR	-	Intl.Econ. Dept.of State('63-67)	Nat.Security Council Depts.of State & Commerce	-
Robert R.BOWIE	Dir,Center for Intl.Affairs, Harvard Univ. CFR	-	Dir.,Policy Planning Staff('53-58); Asst.Sec.State Policy Planning ('55-57)		-
Kingman BREWSTER[b]	President, Yale Univ. CFR	-	-	President Com. Law Enforcement	Mutual Security Agency
Harrison BROWN	Prof.Science & Government, CALTECH	(Editor-at-large, Sat.Review)	-	-	-
Lester R.BROWN	President,World-Watch Institute (ODC Sen.Fellow, '69-74) CFR	-	U.S.Dept.of Agriculture ('59-69)	-	Intl.Agric. Development Service,US Dept.of Agric.
John T.CALDWELL	Chancellor, North Carolina State Univ.	-	-	Comm.A.I.D.-University Relationships ('65-69)	Ford Fdn. consultant Pakistan ('54)
Richard COOPER[c]	Provost & Prof. Economics, Yale Univ. CFR	-	Staff econ., Coucil of Econ. Advisers('61-63); Dep.Asst.Sec.State Intl.Monetary Affairs('65-66)		-
Roger D.FISHER	Prof. Law, Harvard Univ. CFR	-	Asst. Sol.-General ('56-58)		-
Luther H.FOSTER	President, Tuskegee Inst.	-	-	USAF Academy	Member,Pres. Johnson's Advisory Comm. Foreign Assistance

Table 18 (continued)

Scholar/Researchers	Affiliation	Corporate directorships	Governmental Roles		Aid Roles
			Posts	Adviser/ Consultant	
Kermit GORDON	President, Brookings Inst. (died 1976) CFR	-	Dir., Bureau of Budget('62-65); Mem.Council of Econ.Advisers ('61-62); (Offered post of Sec.Treasury by Pres.Johnson,'65)	Dept.of State ('46-53)	-
Theodore M.HESBURGH[d]	President,Notre Dame Univ. ; Chairman,ODC	Chase Manhattan Bank	-	Chmn,Comm.Civil Rights('65); Comm.All-Volunteer Armed Forces('70)	-
Donald F.HORNIG	President, Brown Univ.	Upjohn Co. Westinghouse Electric Co. (V-P,Dir. Eastman-Kodak,'69-70)	Spl.Asst. Sci. & Tech. to President, ('64-69)	Mem,Pres.Sc. Advisory Com. ('60-69)	-
Carl KAYSEN	Dir.,Inst.of Advanced Study, Princeton Univ.	-	Dep.Spl.Asst.to Pres.Kennedy for Natl.Security ('61-63)		-
Peter F. KROGH	Dean,Sch.of Foreign Service, Georgetown Univ.	n.a.	n.a.	n.a.	n.a.
Judith C.KOOKER	Sch.Adv.Intl. Studies,John Hopkins Univ.	-	n.a.	n.a.	n.a.
John P.LEWIS	Dean,Woodrow Wilson Sch.Intl. & Public Affairs, Princeton Univ.	-	Mem,Council of Econ. Advisers ('62-64)	U.N.Korean Reconstr. Agency	Dir., U.S.A.I.D. mission India('64-69)
Arthur W.LEWIS	Prof.Pol.Econ., Woodrow Wilson Sch.,Princeton Univ.	-	Pres. Carribean Dev.Bank ('70-73); Chancellor, Univ.Guyana('67-73)		-
Harald B.MALMGREN	Woodrow Wilson Intl.Center for Scholars (ex-ODC SenFellow)	-	Dep.Spl.Rep. Trade Negotiations(1972-)		-
Edward S.MASON	Dean Emeritus, Harvard Univ.; Faculty adviser, Dev.Advisory Service,Harvard Univ.	Asia Dev. Corp.[e]	-	U.S.Depts. of Labor & State	Cons.,USAID, World Bank

Table 18(continued)

Scholar/Researchers	Affiliation	Corporate directorships	Governmental Roles: Posts	Governmental Roles: Adviser/ Consultant	Aid Roles
Arjay MILLER	Dean,Grad.Sch.Bus. Admin.,Stanford Univ.	Ford Motor Cabot Corp. Wells-Fargo Utah Intl [f] Levi-Strauss Washington Post	Econ.,Fed. Reserve Bank('41-43)		-
Malcolm MOOS	President,Univ. Minnesota ('67-73)	-	Admin. & spl. asst. to Pres. ('58-61)		-
James H.PERKINS	Chmn, Intl. Council for Ed.Dev; President, Cornell Univ. ('63-69), CFR	Chase Manhattan Bank	-		Chairman, Pres. Johnson's Adv.Comm. Foreign Aid('65)
Joseph E.SLATER	Pres.,Aspen Inst.for Humanistic Studies CFR	-	Dep.Asst.Sec. Ed.Cultural Affairs,Dept. of State	Sci.Adv. Council, Dept.State ('61-68)	Mem,Comm. Foreign Assistance Programs('59); Ford Fdn, Intl.Affairs ('57-68)
Raymond E.VERNON	Dir.,Center for Intl. Affairs,Harvard Univ; Prof. Bus. Harvard Univ.	Asia Dev. Corp. ; Fund of America Inc.	Intl.resources, trade posts, Dept.State ('42-51); staff,Pres-Congr. Comm.For.Econ. Policy; U.S. trade missions		-
Clifton J.WHARTON Jr.	President, Michigan State Univ.	Equitable Life Assur; Ford Motor.	Dept.Agric. ('59-69); Presdl.Mission to Latin Amer. ('69)	Mem,Pres. Task Force Agric.Vietnam ('66) ; Adv.Panel,SEAsia & Pac.;Dept.State	Cons.Govt. Malaysia ('62)

SOURCE: WHO's WHO IN NORTH AMERICA; U.S.Government Manual(1978/79)

a. Now Asst.Sec.of International Affairs, U.S.Treasury Dept.
b. Now U.S.Ambassador to Britain; also recently a director of Kaiser Family Foundation and a trustee of the Carnegie Endowment for International Peace
c. Now UnderSecretary of State for Economic Affairs
d. Recently, Chairman of Rockefeller Foundation (1976), replacing Cyrus Vance,now U.S.Sec.State
e. Consulting firm assisting U.S.firms in licencing technology and joint ventures in Asian and Middle East LDCs
f. Recently acquired by General Electric for $2 billion in 1976.

while 2 have Ford linkages. The multiple directorships held by Arjay Miller, Dean of Stanford's Graduate Business School is understandable given his former post as Ford Motor's President.

On the other hand, a large majority of the 24 individuals have had posts with or consultancy capacities on behalf of the U.S. government and in 3 cases, have recently moved back into governmental affairs (viz, Richard Cooper who is now UnderSecretary of State for Economic Affairs; Kingman Brewster, now U.S. Ambassador to Britain; C. Fred Bergsten, now Assistant Secretary of International Affairs, Treasury Department). This intellectual elite profile, with a heavy bias in State affiliations related to foreign policy, is not surprising. One would reasonably expect that at least one important criterion of selection of scholars to ODC's Board is "influential expertise" -- that is, those who not only have the "right" kind of "knowledge" but who are also able to potentially influence State policy-making through informal and/or formal linkages with government.

But if the individuals themselves are not usually directly linked with corporations, then the schools, institutes and think-tanks they work for are certainly closely connected. One basic linkage obviously lies in the funding variable. In this regard, Ford and Rockefeller interests, via their Foundations, have been a major force behind the specialized research centers and think-tanks associated with ODC (Table 19).

A second basic linkage between academic-think tank institutions and U.S. power-elites has in the latters dominance over the governance of those institutions. As power-structure analysts like Domhoff (1967: 77ff) and Smith (1974: 19-55) have observed, regents and trustees of U.S. higher educational institutions come overwhelmingly from corporate elite circles comprising an interlocking directorate of concentrated wealth and power. For research institutes or think-tanks that depend heavily on corporate funding, one would only expect a similar pattern of ruling-class control. This expectation is validated in the case of the eight major specialized university research centers and think-tanks linked to the ODC[56]. Table 20 summarizes data based on the biographical backgrounds of members of the governing bodies of the Brookings Institution (Board of Trustees), Resources for the Future (Board of Directors), Aspen Institute for Humanistic Studies (Board of Trustees), School of Advanced International Studies, John Hopkins University (Advisory Council), International Council for Educational Development (Board of Trustees), jointly the Center for International Affairs and the Development Advisory Service, Harvard University, (Visiting Committee), and the Woodrow Wilson School of Public and International Affairs, Princeton University (Advisory Council).

As Table 20 shows, with the exception of the International Council for Educational Development, all these

Table 19, Funding Sources of ODC Non-Corporate Sources which are specialized university research centers or think-tanks (Major Grants Only)

Institution	Major Funder(s)	Amount (1973-75)
Aspen Institute for Humanistic Studies	Rockefeller Bros. Fund Ford Foundation	$120,000 $150,000
Brookings Institution	Ford Foundation Rockefeller Foundation Carnegie Corporation	$1.15 million $285,000 $150,000
Center for Internation Affairs, Harvard University[a]	Ford Foundation Rockefeller Foundation	$1.4 million $350,000
International Council for Educational Development	Ford Foundation	$885,000
Resources for the Future	Ford Foundation	$7 million[b] $8 million[c]
WorldWatch Institute	Rockefeller Foundation Charles F. Kettering Foundation	$500,000 $ 35,000

SOURCE: Foundation Grants Index (1973-75); RFF (1978: 112)

[a] Now Harvard Institute for International Development
[b] For period 1963-69
[c] For period 1969-74

Table 20

Corporate, State and Other Elite Background of Members of Governing Boards of Eight Think-Tanks or University Research Centers/Specialized Schools Linked to the ODC

Think-tank/ Research center	Years sampled	Total No. trustees/ directors	Primary[a] Elite Affiliations of Governing Board Members			
			Corporate		State	Other Elite[b]
			Corps.	Lawyers		
(1) Brookings Institution	1969-71;1973; 1975-1977	48	24	6	1	17
(2) ICED[c]	1971-75; 1977	38	5	-	4	29
(3) Aspen Institute[d]	1977	43[e]	18	-	7	14
(4) RFF[f]	1971;1973; 1975;1978	30[g]	13	1	1	8
(5) SAIS[h]	1977	48[i]	20	8	8	2
(6) Woodrow Wilson Sch.[j]	1973-74	16	5	2	6	3
(7) Center for Intl.Affairs[k] & (8) DAS[l]	1969-76	47	21	6	4	16

SOURCES: (1) Brookings Institution Annual Report(1968-69;1970;1977),and various Brookings books : Krause(1971);Caincross(1973);Rivlin & Timpane(1975);Trezise(1976).
(2) Various ICED publications: Thompson(1972);Perkins(1971);Cerych(1972);Perkins (1973); Szczepanski(1974); Altbach(1975); Burn & Karmel(1977).
(3) Freeman(1977).
(4) Various RFF publications: RFF(1971); Nelson(1973); Bohi & Russell(1975);Hitch (1978).
(5) The John Hopkins University Circular.1977-78.School of Advanced International Studies, Washington D.C./Bologna,Italy.(June 1977)
(6) Official Register of Princeton University. The Graduate Program of Professional Education for Public and International Affairs. Woodrow Wilson School of Public and International Affairs.(September,1977)
(7) & (8) Harvard University Center for International Affairs, Annual Report (1969-1970;1970-1971;1971-1972;1972-1973;1973-1974;1974-1975;1975-1976).

a. "Primary" elite affiliations refer to the career affiliation of the elite concerned circa his/her membership on the Board. Obviously,many of these elites have been in other elite areas of work prior to the "current" role. In a few cases,at time of Board sitting,the elite may already have retired from active careership--for them,"primary" affiliation is taken to be the last major career affiliation before retirement.

b. "Other Elite" affiliations include academic/research posts, the multilateral "development" banks, and non-corporate associations.

c. ICED is the International Council for Educational Development.

d. Aspen Institute for Humanistic Studies.

e. Data on 4 trustees were not locatable in standard elite biographical directories.
f. Resources for the Future.
g. Data on 7 directors were not locatable in standard elite biographical directories.
h. School for Advanced International Studies, John Hopkins University.
i. Data on 8 directors were not locatable in standard elite biographical directories
j. Woodrow Wilson School of Public and International Affairs, Princeton University
k. Center for International Affairs, Harvard University
l. Development Advisory Service, Harvard University(now the Harvard Institute for International Development).

research institutes or think-tanks have a substantial proportion of trustees or directors with corporate affiliations, ranging from 42% in the Aspen case to 64% for Brookings. These figures, however, do not reveal the "importance" of the research institutes or think-tanks, especially with regard to their particular contributions to ODC "development" policy-formation and ideology-propagation. To this end, a tabular summary of salient power-network characteristics and related "development-ideology" features is drawn up for each of these selected eight ODC academic-thinktank supporters. Table 21 presents the results of this exercise.

Such data, as well as the preceding power-network analysis, thus shows that the ODC has usefully enlisted the support of key U.S. academic centers and think-tanks, particularly those prestigious in the arena of Third World problems and foreign policy. Such centers and think-tanks have close ties (via financial support, governance, interpenetration of elite roles) with the U.S. ruling-class, and therefore can be expected to foster theory and/or practice of U.S.-Third World relations or of LDC "development" that are ultimately beneficial to ruling-class interests. My examination of research literature from these centers and think-tanks, albeit of a selective scope (see referencescited in Table 21), clearly demonstrate a basic adherence to modernization themes and in most cases, an increasing concern with issues of "global interdependence" that are an integral aspect of ODC ideology.

Table 21: Summary of Power-Network & Development-Ideology of Eight Selected Academic Centers and Think-tank Supporters of the Overseas Development Council(ODC)

Think-tank	BROOKINGS INSTITUTION (founded 1927)
Research focus	Economics, government, foreign policy, social sciences. Research volume[57] $4.7 million(1972)
Policy-formation, Ideology-process, Training program	Fellows sit on govt. boards,commissions; Research publishing; Consultation with State policy-makers; Advanced Study Program for senior govt.,business,labor,professional executives; Research study programs for Federal officials on leave. (MacLaury,1977; Brookings,1969,1977).
Key Power-Elite Linkages	Chmn(1963-68) Eugene Black--Chase(1933-47); World Bank Pres.(1949-62); Chmn(1969-74) Douglas Dillon--Undersec.State(1958-60), Sec.Treasury(1960-65); Chmn(current) Robert V.Roosa--partner, Brown Bros., Harriman, Undersec.Treasury(1961-64). Trustees over 1969-77 included Pres. Chase Manhattan; Chmn of Carter Hawley Hale Stores, Cabot, Contl.Ill.Natl.Bank, Bell & Howell, Ralston Purina; Pres. World Bank; Chief negotiator,SALT I.
Elite-Interlock with State	Brookings senior staff often picked for new Presidential administrations, or recruited into Brookings from high State posts[58]
ODC Linkages	ODC Directors included past Pres.(K.Gordon);past Vice-Pres.(E.K.Hamilton);former Chmn(E.Black); former Sen.Fellow(E.Bergsten); trustee(J.H.Wilkinson). ODC's Vice-Pres.J.Sewell former assistant to past. Pres.of Brookings Kermit Gordon.
Development-Ideology	Research on UDC problems within Foreign Policy Program e.g.global interdependence; international trade negotiations; World Bank aid; UDC malnutrition; ocean-resource management; U.S.MNCs; China Policy; foreign investment (Brookings,1969:61ff;1977:24ff; Schultze,1973; Bergsten,1973; Asher,1970; Krause,1972). Modernization themes stressed; increasing emphasis on global interdependence concepts.
Think-tank	RESOURCES FOR THE FUTURE (RFF) (founded 1952)
Research focus	"Development,conservation,and use of natural resources--improvement of the quality of the environment" (Bohi & Russell,1975); Research volume $1.4 million(1968)--40-60% by RFF staff, rest on contracts to universities, research centers(RFF,1962:97ff; 1968:121ff).
Policy-formation, Ideology-Process	Research publications; conferences; consultants to industry and government
Key Power-Elite Linkages	Major funder, Ford Fdn. ; extensive corporation and foundation funding; govt.contracts. Dirs. include Chairmen of Atlantic-Richfield, AMAX, Consolidated Edison,CBS; ex-UCLA Pres.C.Hitch
ODC Linkages	ODC Directors include RFF dirs. Harrison Brown, Lauren Soth, Ed Mason, Luther Foster.
Development-Ideology	Studies on environment and resource issues in UDCs e.g. U.N.-commissioned study on regional development(RFF,1966); evaluation of Alliance for Progress(Perloff,1969); World Bank-sponsored study on agricultural development of Mekong Basin(RFF,1971). Modernization themes stressed; neglect of political-economy of dependency and imperialism.

Table 21 (continued)

Think-tank	INTERNATIONAL COUNCIL FOR EDUCATIONAL DEVELOPMENT(ICED) (founded 1970)
Research focus	Higher education, U.S. and international; strategies for educational development;[59] modernization and management of educational systems
Policy-formation, Ideology-process	Research studies; conferences; seminars
Key Power-Elite Linkages	Major funding, Ford Fdn; also Carnegie Fdn, Krupp Fdn, Volkswagen Fdn, IBRD. Founder & Chmn, James Perkins--former Vice-Pres.Carnegie Corp., ex-Pres.Cornell(1963-69),dir.Chase, chmn. Pres,Johnson's advisory committee on foreign aid. Trustees include H.Leussink(former Min.Ed & Sc.,W.Germany); J.Slater(Pres.Aspen Inst.Humanistic Stud.), C.Kerr(Chmn,Carnegie Comm.Higher Ed.); Sol Linowitz(ex-U.S. OAS ambassador);F.Goheen(Chmn,Council on Foundations).
ODC Linkages	ICED Chmn.James Perkins, key organizer of ODC, sits on ODC's Board.
Development-Ideology	UDC research projects e.g. (a)IBRD & UNICEF-sponsored studies on non-formal education(Coombs,1973; Coombs & Ahmed,1974); (b)Higher Education & Development Project in 21 UDCs,sponsored by DC foundations and aid agencies(Thompson & Fogel,1976). Modernization themes on role of education in underdevelopment and development stressed. Political-economic status-quo accepted as context for educational change.

Think-tank	ASPEN INSTITUTE FOR HUMANISTIC STUDIES
Activity Focus	"Major issues in contemporary society"
Policy-formation, Ideology-process	Consensus-building conferences, seminars, workshops, task forces
Key Power-Elite Linkages	Chmn.Trustees--Robert Anderson(Chmn.Atlantic-Richfield); Vice-Chmn Trustees--Gaylord Freeman(Chmn, First Natl,Bank,Chicago); Trustees include Chmn. IBM, Pan-Am; ICED's Perkins; World Bank Pres. McNamara; ex-State elites Paul Nitze(Dep.Sec.Def.),Robert Ingersoll(Dep.Sec.State); other DC elites--Barbara Ward(U.K.), Saburo Okita(Japan), P.Gyllenhammer(Volvo's Pres.); UDC elites--Soedjatmoko (Indonesia), A.Kwapong(Ghana), wife,Shah of Iran
ODC Linkages	ODC Directors include Aspen's Chmn.R.Anderson, trustee Perkins. ODC guest expert-trustee B.Ward
Development-Ideology	Joint conferences on global interdependence with ODC and other groups (e.g.Gardner,1975). Stress on modernization and interdependence themes, New International Economic Order, MNC contributions

Table 21 (continued)

Academic Center	SCHOOL FOR ADVANCED INTERNATIONAL STUDIES(SAIS),JOHN HOPKINS UNIVERSITY (founded 1943)
Activity focus	Research and graduate training in international affairs.
Policy-formation, Ideology-Process, Training program	Research publications; Washington Center for Foreign Policy holds weekly discussions on foreign policy with visiting officials,politicians,scholars; Special study-research program for foreign scholars and State elites; Annual Conferences for corporation executives; Seminars for young UDC diplomats; Off-the-record lectures by State and intellectual elites; SAIS faculty consulted by government.
Key Power-Elite Linkages	Founder Christian Herter(Sec.State,1949-51); Advisory Committee includes George Ball, Walter Levy, Eugene Black; top lawyers Lyold Cutler, Sol Linowitz, Clark Clifford; ex-Treasury Sec. Henry Fowler
ODC Linkages	ODC Directors include Advisory Comm. members Walter Levy, Eugene Black, Tom Killefer. ODC Senior Fellow Roger Hansen now Prof. Intl.Relations, SAIS
Development-Ideology	Research on global-interdependence issues e.g.Ocean-Policy Project(Hollick,1974; Osgood,1974). Dean of SAIS, Robert Osgood, member,Committee of Studies of CFR supervising CFR 1980s Project. Latin American specialist Riordan Rioett(1978) lauds Brazilian model of "development".
Academic Center	WOODROW WILSON SCHOOL OF PUBLIC & INTERNATIONAL AFFAIRS, PRINCETON UNIVERSITY (founded 1948)
Activity focus	Research and graduate training for public careers in foreign policy, international relations, comparative politics, demography, modernization & development, domestic & urban affairs.
Policy-formation, Ideology-process, Training program	Faculty research; conferences; professional work experience for students(e.g.summer fieldwork; USAID interns); Parvin Fellowship program for UDC "potential future leaders".
Key Power-Elite Linkages	Advisory Council include Presidents of Brookings, Carnegie Endowment for Intl.Peace, CFR; Vice-Pres. Ford Fdn; Xerox executive; U.S. State elite officials. Dean of Woodrow Wilson School, John P.Lewis--member,Council of Econ.Advisers(1962-64); Minister-Director, USAID Mission, India(1964-69).
ODC Linkages	ODC Directors include Dean John Lewis; prof. W.A.Lewis. ODC guest-writer--Prof. Charles Frank
Development-Ideology	Faculty include elite modernization theorists e.g. sociologist Marion Levy(1965); economist Charles Frank; economist W.A.Lewis; manpower-planner Frederick Harbison(1964); India expert John Lewis(1962,1969).

Table 21 (continued)

Academic Centers	HARVARD UNIVERSITY'S CENTER FOR INTERNATIONAL AFFAIRS(founded 1957) & DEVELOPMENT ADVISORY SERVICE (DAS) (founded 1962, became HARVARD INSTITUTE FOR INTERNATIONAL DEVELOPMENT,HID,in 1974)
Activity Focus	Research in international affairs[60]; development-projects in UDCs; graduate training for UDC students and State elites
Policy-formation, Ideology-Process, Training-program	Center for Intl.Affairs--research studies; consultants to govt; Program for public officials (U.S. and abroad) for 1 year study-research at Center, intellectual-exchange activities in U.S.(e.g.meetings with U.S. State elites, CFR) - over 1969-77, 39 out of 99 Fellows were from UDCs, including Cabinet Ministers, secretaries, ambassadors and other UDC power-elites [61] DAS,now HID --trainees from UDC projects to study at Harvard; UDC students for M.A.program at Kennedy's School of Government, including contacts with U.S. State-intellectual elites and institutions.
Key Power-Elite Linkages	Center's Visiting Committee include Eugene Black, Harold Brown(Sec.Defense); Chmn.of Bell Telephone, Manufacturer Hanover, CFR, Time Inc., Inter-Continental Hotels; Vice-Pres. Exxon, Cargill, Ex- or current Center's Executive Committee members with elite State interlocks include Henry Kissinger; Hollis Chenery(Vice-Pres.,IBRD); Samuel Huntington(Vietnam adviser; Coordinator of Security Planning,National Security Council,1977/78); Robert Bowie(State Dept. elite,consultant since 1955); Joseph Nye(now Dep.UnderSec.Security Assistance,Dept.State); Raymond Vernon (offidal, State Dept. 1948-61; special consultant to UnderSec.Treasury,1978-).
ODC Linkages	ODC Directors include HID's Director Lester Gordon; Dir, Center Intl.Affairs,Robert Bowie; Center elite Raymond Vernon; DAS founder Edward Mason
Development-Ideology	Center research on UDC issues follow modernization paradigm e.g. foreign aid(Mason,1964; Nelson,1968); rural development(Brown,1971); MNCs(Vernon,1971;1977); political modernization (Huntington, 1965); counter-revolutionary strategy and theory (Galula,1964; Bell,1971). DAS & HID --advisers to UDC economic development projects e.g. Pakistan development-planning project(1954-70); organizing Malaysia's Economic Planning Unit & Development Administration Unit; advising BAPPENAS, Indonesia's national planning agency; technical assistance to the Central American Business School(INCAE) to help establish an Economic Development Advisory Centre (Center for Intl.Affairs, 1969/70-1972/73). Basic modernization planning techniques, support of political status-quos.

ODC's potential or realized benefits from having the support of such elite institutions may thus be summarized as follows: (a) a "halo" (prestige and respectability) effect from being linked with such heavy weights as Brookings, Harvard's Center for International Affairs, or Resources for the Future; (b) the opportunity to indirectly influence foreign policy formation, through sympathy of think-tank/center personnel for ODC policy proposals — here, it is relevant to note that an important source of research output incorporated into ODC policy-proposing activities come anyway from these same think-tanks or academic centers; (c) a direct chance to train potential administrators and policy-makers in ODC ideology, as through the ODC's work-intern programs for students from the academic schools concerned; and (d) channels for ODC "development ideology" to filter to Third World nations. Finally, it should be realized that support of the elite academic centers and think-tanks for the ODC would have been gained with relative ease, given that the ODC was itself created personally by top corporate elites in the first place -- elites who have controlling interests over key U.S. think-tanks or academic institutions.

SUMMARY

This chapter has mapped out the diverse and extensive "non-corporate linkages" within the ODC's power-network. Whether these linkages be voluntary aid agencies, domestic special-interest groups, government-based institutions, multilateral aid agencies, or academic centers and think-tanks, their presence in ODC's universe of support is clearly designed to facilitate ODC's policy-formation and ideology-propagation processes. Those individuals, groups or organizations which are oriented more towards middle- or lower-levels of U.S. society, principally help to serve as outlets for UDC ideology. Furthermore, most of such groups also have direct interests in UDC issues and problems, including actual contact in UDC contexts (e.g.voluntary agencies). They therefore provide constructive linkages to UDCs for the ODC. And in terms of "development-ideology", they fall into the modernization paradigm and follow "development theory-and-practice" which would concur well with ODC themes.

As for non-corporate linkages that operate more at elite levels and contexts, these undoubtedly serve the ODC in contributing to policy-formation (e.g.intellectual expertise; guidance from, and cooperation with older elite policy-planning groups). However, such linkages also contribute to policy-formation and ideology-propagation in UDC contexts--as in the case of multilateral "development" banks, or the academic centers and think-tanks that have direct input into UDC "development". Again,as for lower-level linkages, the modernization paradigm reigns supreme among ODC's elite non-corporate linkages. Indeed, some of the latter institutions have been the intellectual progenitors and sustainers of theories and strategies of modernization.

Finally, all the non-corporate linkages of the ODC are seen to be dependent upon, interlocked with, or subservient to the basic interests of the dominant corporate institutions in the U.S. political-economy. Conversely, within ODC's power-network, there is a distinct lack of any individual, groups or organizations working in the critical paradigm. But this is only to be expected, given that the ODC was created by, of, and for and U.S. ruling-class.

Chapter 6

ODC'S "POTENTIAL INFLUENCE" AND ITS POLICY-FORMATION AND IDEOLOGY PROCESSES

INTRODUCTION

This chapter comprises two major components. First, an attempt is made to assess the "*potential* influence" the ODC *may* have at its disposal for impacting its ideology on State policy-formation. Here, the qualifications of "potential" and "may" are to point out that the methodology of assessment, based *not* on inside or confidential information, does not permit us to expose the what or how of actual influence. A contrast, in this regard, is Roose's (1975) analysis of one government advisory committee, where the researcher could go beyond structural connections to "how" questions on the basis of committee minutes. Likewise, Shoup & Minter (1977) had access to minutes and memoranda in their study of the CFR. The strategy utilized here instead is to emphasize the power structural profile of ODC's Board of Directors. This entails tracing the career records of ODC Directors vis-a-vis their linkages with various key U.S. elite forums or policy-planning groups (especially those directly concerned with U.S. foreign relations), as well as with the government bureaucracy (particularly at the national executive and administrative levels). Such data would at least assess the stock of influence "embodied" in these Directors (via their former and/or ongoing career affiliations), that the ODC can directly or indirectly rely on to diffuse ODC ideology into State policy-formation mills.

Secondly, this chapter analyzes (a) the processes by which the ODC forms its policies and develops power-elite consensus on issues of U.S.-UDC relations and (b) the processes through which ODC ideology is transmitted to all sectors of U.S. society. Obviously, this portion of the investigation furnishes some evidence of public tactics used by the ODC to exert influence on State policy-formation.

ODC'S BOARD: SECTORAL COMPOSITION

To begin with, the distribution of ODC directorships among different sectors of U.S. society should be noted. Between 1970 and 1976, the size of the Board has varied in the range of 70 to 90 members. As shown in Table 22, the Board's composition, in terms of directors' primary career affiliation, has remained fairly stable over the years since ODC's formation. Clearly, the bulk of directorships lies with corporate elites(45-50%), while next in numerical importance are the thinktanks-university network (20% approximately) and associations (20% approximately). Such a composition seems logical enough: the corporations are paying the bills for a service perceived as desirable; the Ph.D.'s and think-tank experts furnish technical expertise or support and intellectual "respectability" to ODC's

Table 22 : Distribution of ODC Directors[a] by Affiliation[b] with various Corporate and Non-Corporate Institutions (executive Committee Members listed in parentheses)

	Institutional Group	Year 1970	1972	1974	1976
I.	Industrial Corporations	22(2)	20(2)	26(2)	24(3)
II.	Banks, Insurance & Financial Companies	6(2)	7(2)	10(2)	10(2)
III.	Consulting & Law Firms	5(1)	6(3)	3(3)	4(3)
IV.	Mass-media firms	4(1)	4(3)	6(2)	5(2)
V.	Foundations	2(-)	2(-)	2(-)	2(-)
VI.	Associations	9(1)	9(4)	16(4)	14(4)
VII.	Think-tanks & Academic institutions	14(5)	13(7)	17(5)	17(7)
VIII.	Government	3(1)	3(1)	2(-)	1(1)
IX.	ODC Staff	2(2)	2(2)	2(2)	2(2)
X.	Individuals	2(-)	2(1)	3(-)	4(-)
XI.	Labor	1(-)	1(-)	2(-)	1(-)

Sources: Malmgren (1970); ODC(1972); Hansen(1975); Haq(1976).

a. See Appendix II for complete list of ODC Directors

b. "Affiliation" refers to the current primary career-role of ODC Directors. Owing to the process of elite inter-penetration, it should be realized that in other years, a particular Director may be affiliated to other institutional groups e.g. a corporate elite taking time off to fill a government post.

mission, and many of the associations provide linkages with lower-level U.S. citizens and the general public.

About 20 to 25 of the directors sit on the Board's Executive Committee, and these include almost all sectors present on the general Board. However the emphasis here lies among the academic and think-tank experts, as well as the mass-media and the associations. Given that the

Executive Committee takes care of the organizational spadework, this is understandable. Intellectual elites and association representatives are more disposed and available for this kind of work than busy top level corporate executives. Also, mass-media elites play an important ongoing role in helping to disseminate ODC ideology.

"POTENTIAL INFLUENCE" OF ODC DIRECTORS

The procedure for arriving at the results in Table 23, 24 and 25 is as follows: First, from WHO'S WHO IN NORTH AMERICA, the relevant career details of each ODC Director (past or present, 1970-77) are itemized. Then, after setting up various categories of institutional affiliation (e.g. membership of an elite forum, a government post), a tally is made in each appropriate category for all the Directors. The results of this computation are presented below in four major analytical categories -- (a) non-governmental policy-planning group membership; (b) membership in foreign aid-related institutions; (c) representation in government roles; (d) mass-media elite participation. But before dealing with these results, it should be noted that only 15 of the 115 odd past/present ODC Directors could not be located either in WHO'S WHO IN NORTH AMERICA or in AMERICAN MEN & WOMEN OF SCIENCE, SOCIAL & BEHAVIORAL SCIENCES. Among these 15 Directors are 3 church-related individuals, 4 academics, 5 associations' representatives, and 3 unaffiliated individuals. However, while such less socially prominent or prestigious individuals are likely less potentially influential in official policy-formation, their career interests or affiliation suggest that the ODC leadership perceives them as being useful in one or both of the following roles: contributing a special area of expertise in "development" theory/practice, or enabling the ODC to reach as broad a public audience as possible.

Non-Governmental Policy-Planning Group Membership

Table 23 shows the number of memberships of ODC Directors in key non-governmental policy-planning groups. Thus, among all past/present ODC Directors, there are 28 who have been/are associated with the Council on Foreign Relations (CFR). Since the CFR is the preeminent elite forum or policy-planning group for foreign policy issues (see Chapter 1), these Directors represent a source of important potential-influence for the ODC. It is all the more significant to find that no less a ruling-class personage than the CFR's Board Chairman, David Rockefeller (Chairman, Chase Manhattan Bank) consented to sit on ODC's Board from ODC's inception until 1976. A key figure in the Rockefeller empire, he has been labelled as "the single most powerful private citizen in America today", having played key roles in major U.S. foreign policy moves (e.g. Nixon's detente with USSR; SALT talks; U.S.-China relations) (Dye, 1976: 142ff). Rockefeller was also the major force behind formation of the Trilateral Commission,[62] the elite forum of

Table 23 : Representation of ODC Directors on Non-Governmental Policy Planning Groups

Non-Governmental Policy-Planning Group	NO. of ODC Directors represented
Council on Foreign Relations (CFR)	28
Foreign Policy Association (FPA)	4
Committee for Economic Development (CED)	11
Business Council; Conference Board	4
Agribusiness Council	2
Carnegie Commission on Higher Education	3
Trilateral Commission	5
Other	14

transnational finance capital from North America, Europe and Japan aimed at helping to maintain

> a capitalist world dominated by the industrial capitalist nations (themselves dominated by transnational financial interests), cooperating in a concerted offensive against Third World revolutionism by pursuing the irreparable integration of the neo-colonies into international capitalist commodity, investment and financial markets; and cooperating in presenting a common front to the socialist world on economic, political, and eventually military matters (Frieden, 1977:17; see also Sweezy & Magdoff, 1977; Shoup & Minter, 1977: 260ff).

The 11 ODC Directors connected with the Committee for Economic Development are also potentially influential elites in the processes of policy formation. As Domhoff (1971: 123ff,333) noted, even though the CED's concentration on monetary/economic problems makes it more prominent in Treasury and Commerce Departments' affairs, it has not been uninfluential in shaping foreign policy. For example, it was C.E.D. corporate elites and hired economists who eventually administered the Marshall Plan for Europe's post-war reconstruction aid. Furthermore, some of C.E.D.'s top advisers were also members of President Kennedy's task force on the Alliance for Progress scheme for Latin America.

It is also not surprising to find ODC Directors with direct FPA connection, including the influential long-standing President of the FPA, Samuel P. Hayes. As earlier noted, the FPA functions as a general public-oriented complementary group to the CFR. The case of the Agribusiness Council also deserves mention, given its direct interest in the Third World. The Council is composed of business organizations, groups and individuals interested in

> stimulating and encouraging agribusiness in cooperation with the public sector, both domestic and international to aid in relieving the problems of world food supply. The Council supports coordinated agribusiness in the developing nations by acting as a catalyst in the identification of opportunities for investment of U.S. private-sector technology, management, know-how and financial resources (Encyclopedia of Associations, 1975).

The president of this Council is H.K. Heinz, an ODC Director until 1972. The well-known corporation bearing his name is reportedly battling for "space on a worldwide shelf" in 150 countries (Gooding, 1971), with its foreign operations making up 41% of company consolidated sales and earning 35% of profits in 1975 (Moody's Handbook of Common Stocks, Winter 1976/77).

In sum, ODC Directors are amply represented on the significant elite policy-planning groups in the U.S. policy-formation network, especially those concerned with foreign affairs. By such linkages, the ODC's potential-influencing capacity is thereby multiplied.

Membership in Foreign Aid-Related Institutions

Table 24 lists the involvement of ODC Directors with bodies or roles directly concerned with foreign aid activities and issues, which, of course, constitute an important plank in ODC's "development" platform.

Taking the governmental bureaucracy first, we find four USAID Administrators or Deputy Administrators. Administrators rank equal to an UnderSecretary of State and report directly to the Secretary of State and the President. These four included David Bell, who was USAID Administrator from 1966 to1969 and is now Executive Vice-President, Ford Foundation, and the 1974-77 Administrator, Daniel Parker, Chairman of Parker Pen Co. In addition, two ODC Directors have been associated with the U.S. Export-Import Bank, which "facilitates and aids in financing exports of U.S. goods and services.......(through) direct lending or the issuance of guarantees and insurance, so that exporters and private banks can extend appropriate financing without taking undue risks" (Official Federal Register, 1978: 495).

There are also 13 ODC Directors who have served on various Presidential aid commissions and advisory councils. As Domhoff (1979: 87ff) pointed out, despite their public image of being pluralistic, the "most important role (of Presidential Commissions)... is to legitimate and make 'official' the ideas that have been developed in the private-sector policy network" dominated by corporate associations

Table 24: Representation of ODC Directors on Foreign Aid-Related Institutions

Foreign Aid-Related Institution		No. of ODC Directors represented
U.S. Agency for International Development		10
- Administrators or Deputy Administrators	4	
- Third World USAID Missions	5	
- Other	1	
Peace Corps		7
International Executive Service Overseas		2
Aid Commissions, Committees & Councils (U.S. Government)		13
Export-Import Bank, U.S.A.		2
Multilateral Agencies		7

like the CFR and the CED. Non-corporate representatives on the Commissions (e.g. labor, minorities) help to lend a semblance of society-wide "approval" of those ideas. Thus Presidential Commissions on foreign aid have been influential in foreign-policy formation in that sphere (supra: 59). That over a dozen ODC Directors possess such experience clearly constitutes valuable potential influence for the ODC.

Indeed, of these 13 ODC Directors, as many as 11 were former members of either President Johnson's Advisory Committee on Foreign Assistance Programs or President Nixon's Task Force on International Development. Examples include Rudolf Peterson, head of the Nixon Task Force and then Chairman of Bank of America ; Eugene Black, ex-Chase executive and former IBRD President; and ex-Cornell University President James Perkins, now president of the educational think-tank International Council for Educational Development. As earlier noted, it was members of the Perkins Committee who initiated moves to form the ODC.

Several ODC Directors also have previous connections with multilateral aid agencies. One worthy of mention is Richard Demuth, who before joining the big Washington law firm of Surrey, Karasik & Morse, served with the World Bank from 1946 to 1972. Finally, in the foreign aid sphere, the ODC has 8 past/present linkages with the well-known Peace Corps, and the less publicized International Executive Service Overseas Corps -- a scheme initiated by business elites to "assist private enterprise in the developing countries...... through volunteers who are retired U.S. businessmen or younger mid-career executives" (Encyclopedia of Associations, 1975). Taken overall then, it is reasonable to conclude that in the specific area of foreign aid programs and policies, the ODC (via its Directors) does have available to it significant and wide-ranging potential influence. A last but not least point is that ODC's President James Grant was a long-standing USAID career official (1954-69) -- an Assistant Administrator from 1967 to 1969 -- before being picked to lead the ODC.

Representation in Government Roles

Table 25 provides data on past or present representation in governmental roles among the 90 odd people who have been/are ODC Directors over 1970-76. To begin with, local and state government roles, as well as

Table 25: Representation of ODC Directors in Government-Related Roles

Government-Related Roles	No. of ODC Directors represented	
CONGRESSIONAL ROLES		3
- Congressmen	1	
- Assistant to congressmen	1	
- House Committee of Foreign Affairs	1	
STATE & LOCAL ROLES		4
- Governors	2	
- City officials	1	
- Other	1	
MILITARY		1
EXECUTIVE BRANCH		60
- White House	8	
- Dept. of State	19	
- Dept. of Agriculture	4	
- Dept. of Defense	3	
- Depts. of Treasury, Commerce, Budget	8	
- Dept. of Justice	5	
- Ambassadors	5	
- United Nations	4	
- Other	4	
ADVISORY & CONSULTANCY ROLES		40
- Council of Economic Advisers	4	
- President's Office	2	
- Dept. of State	4	
- Defense & security-related	9	
- Dept. of Commerce	3	
- Presidential/national Commissions, advisory committees or councils	18	

Congressional roles, are only minimally represented. The relative paucity of local-state governmental roles is not unexpected, given that the scope of ODC concerns is national policy-formation. Indeed, the two former state governors are evidently more important in terms of post-governorship positions: Orville Freeman, who became long-standing Secretary of Agriculture (1961-69) after serving as Minnesota's governor from 1955 to 1961; and William Scranton, ex-Pennslyvania governor (1963-67), who now sits on IBM's Board and is chairman of Northeastern Bank, Pennslyvania.

As regards congressional affiliations, we recall Domhoff's (1971: 139-148) evidence which show that

> if Congress is no mere rubber stamp that immediately jumps every time the power elite snap their fingers, it is for all its complaining, delaying, and threatening a rather impotent body when compared to with the Executive Branch, which can get its way with Congress on foreign affairs anytime it wants to with patience, tact, research, and vigorous leadership by the President.

Hence, the limited scope of Congress-related affiliations on ODC's Board is not surprising.

Conversely, the high proportion of ODC Directors who have served in the Executive Branch of the U.S. government constitutes a valuable source of ODC's potential capacity to influence foreign policy-formation. This point is underscored by the high percentage (over 30%) of State Department-related experience within the Executive Branch sub-category. In terms of cabinet posts, the list includes two former Secretaries of Agriculture, one Secretary each of Labor and Treasury, one Attorney-General, two Under-Secretaries of State, and one Under-Secretary of Agriculture. Prominent corporate elites who come under this list are C. Douglas Dillon, of Dillon, Read investment bankers, who was a Treasury Secretary and now a Director of Chase Manhattan Bank and A.T.T.; Nicholas Katzenbach, formerly U.S. Attorney-General and UnderSecretary of State, and now IBM's Corporate Vice-President; and Clifford Harding , a former Secretary of Agriculture who is Vice-Chairman of the agribusiness MNC Ralston-Purina. We also find four United Nations-related roles, of which two were U.S. Chief Representatives, and five former diplomatic corps elites. The latter's experience (as well as the experience of USAID officials) are commented upon in the next sub-section.

Another important sub-category of government-related roles are advisory or consultancy positions to various arms of the Executive Branch. The statistics show emphases on economics, commerce, and State branches, including 4 ODC Directors who have been associated with the top-level Council of Economic Advisers to the President. Though a tally of 9 was obtained for defense/security-related roles, none were important (e.g. membership on USAF Academy's Advisory Council and a disarmament-weapons control commission). This relative insignificance of defense-related compared to political-economic roles is not unexpected, given the ODC's lack of discussion of defense or military issues (see Section III).

Last but not least, the data show that 18 ODC Directors have at one time or another sat on Presidential or national commissions, task forces and advisory committee. As earlier noted, such commissions have played important roles in national planning. In sum, the extensive experience displayed among ODC Directors in this field should enhance ODC's potential influence on decision-making.

Third-World Experience in Government-Related Roles

A final aspect of government-related roles among ODC Directors concerns the Third World experience these Directors may have --experience that would naturally be potentially useful to ODC's influencing capacity. Table 26 classifies such experience under three role catagories. It is seen that LDCs from all continents are included. Two especially interesting ambassadorships are that of Edward Korry and Lincoln Gordon. During his term in Chile (1967-71), Korry played an unsavoury, reactionary role in the overall U.S. subversion of Allende's elected government prior to Pinochet's fascist take-over (Uribe, 1975). Gordon, as ambassador to Brazil over 1961-66, was extremely hostile to the reformist President Joao Goulart who was overthrown in 1965 by the military with CIA backing (Frank, 1969: 340ff; Ward, 1977). Later promoted to Assistant Secretary of State for Latin American affairs, Gordon is now President of John Hopkins University. James Grant, ODC's President, also had Third World experience with USAID missions in Ceylon and Turkey, and later as an Assistant Administrator for the Near East & South Asia. And most recently, UAW's President Leonard Woodcock (an ODC Director until 1977) became the first U.S. ambassador to China.

Mass-Media Elite Participation

Lastly, given the logical importance of mass-media support for ODC ideology, it is of interest to look at individual mass-media elites who sit on ODC's Board.

Table 26: Third World Nations in which ODC Directors Have Direct Experience

	Institutional Roles	Regions/Countries
I.	Ambassadorships	Latin America - Brazil, Chile Africa - Kenya, Ethiopia, Guinea Asia - Thailand
II.	USAID Missions or Peace Corps	Latin America - Panama Africa - Ghana, Nigeria, Togo, Niger Asia - India, Ceylon, Thailand Middle East - Turkey
III.	Advisory Roles to Foreign Governments	Latin America - Colombia Africa - Morocco, Ghana Asia - Indonesia, Laos, South Vietnam, Pakistan Middle East - Kuwait, Syria

These number a total of six, of which 3 are found to possess special expertise on foreign policy. Thus Harding Bancroft, Executive Vice-President of the New York Times and ODC Director until 1972, has served with the Department of State and as an U.S. representative to the U.N. William Attwood (ODC Director since 1974), who is President of Newsday, was formerly U.S. Ambassador to Kenya and Guinea. Barry Zorthian, Vice-President of Time Inc., was an USIS officer in India (1961-64) and Minister-Counseller for Information, U.S. Embassy, South Vietnam (1964-68). Zorthian has been an ODC Director since 1974. And besides these three, worthy of mention too is Philip Geyelin, a long-standing ODC Director. Though with no apparent direct Third World experience, Geyelin commands substantial mass-media influence as Editor of the Editorial Page of the prestigious Washington Post since 1968.

In sum, the aggregate career record and policy-planning institutional affiliations of the 90 odd ODC Directors over 1970-1977 reveal a substantial degree of "potential influence" that may be available to the ODC in U.S. foreign-policy formation. Not only is this "potential influence" network broad-ranging in scope, covering relevant governmental and non-governmental institutions, it also includes some very influential and key ruling-class personages.

EXTRA-ODC BOARD "POTENTIAL INFLUENCE"

An extension of the above procedure for assessing "potential influence" is possible in the case of ODC's corporation-supporters, since the corporations' own Boards of Directors are also a source of potentially influential elites. In this regard, it is relevant to note that some 27 corporations who have contributed to the ODC's budget were/are not directly represented on ODC's Board over 1970-1977.

Table 27 summarizes the results of tracing career patterns of all directors of ODC corporation-supporters (except those already analyzed above as ODC Directors. In addition, care was taken to avoid double-counting or multi-counting, given the frequency of interlocking

Table 27: Potential Policy-Formation Influence of Directors of ODC Corporation-Supporters (Excluding ODC Directors) Assessed by Membership/Representation on Policy-Formation or Policy-Planning Institutions or Roles

Policy-Formation or -Planning Institutions or Roles		No. of ODC Corporation-Supporter Directors*
Council on Foreign Relations (CFR)		52
Committee for Economic Development (CED)		51
Business Council		45
Conference Board		22
Foreign Policy Association		8
Trilateral Commission		3
U.S. Cabinet Secretaries:	Treasury	3
	Commerce	3
	Defense	2
	Army, Navy	3
	HEW	2
	Agriculture	1
USAID Administrators & Missions		3
Military generals		2
Federal lawyers		5

*Excluding those sitting on ODC Board of Directors.

directorships among the major U.S. corporations.

The list is certainly impressive, containing over 50 each of CFR-linked and CED-linked elites, 45 Business Council members, and 15 Cabinet Secretaries. It suffices to point out some of the very prominent elites included in Table 28 hitherto unmentioned. They include such big names as George Ball, former U.S. Undersecretary of State (1961-66), now of a top-ranking investment firm Lehman Bros., and a short-list candidate for Carter's Secretary of State; David Packard, ex-Deputy Defense Secretary, who is

Chairman of Hewlett-Packard; John McCone, a director of ITT and former C.I.A. Director (1961-65); George Schultz, former U.S. Treasury Secretary (1970-72) and now Executive Vice-President of Bechtel Inc.; John Gardner, former U.S. Secretary of Health, Education & Welfare, and a Time Inc. director; John Connally, ex-Texas governor, ex-Treasury Secretary, and a director of Texas Instruments; George Gallup, Chairman of the Gallup Organization and a trustee of a close ODC foundation-supporter, the Charles F. Kettering Foundation; and last but not least, three Carter associates: Secretary of State Cyrus Vance, who was a New York Times director; Carter's first Treasury Secretary W. Michael Blumenthal, who had been Chairman of Bendix Corporation and a director of Equitable Life Assurance; and Sol Linowitz, former Chairman of Time Inc, formerly ambassador to the Organization of American States, and recently co-U.S. negotiator on the new Panama Canal treaty.

Again, the notion of "potential influence" bears reemphasis. Listing the above elite names and career backgrounds or institutional policy-formation affiliations is not meant to imply that the ODC has directly relied on those particular elites to influence policy-formation. But they do serve to indicate the the ODC's "potential influencing" capacity in the processes of foreign policy-formation is likely to be considerably enhanced, at least in so far as the director-elites of ODC corporation-supporters will have come to know about ODC ideology, via ODC communiques, conferences, and the like.

ODC'S POLICY-FORMATION AND IDEOLOGY PROCESSES

In this portion of my power-structure analysis of the ODC, I will document various public means through which the ODC builds consensus on issues of U.S.-UDC relations among power-elites, and disseminates such ideology to all sectors of U.S. society. In other words, what is referred to in Domhoff's model of ruling-class domination as the policy-formation and ideology processes. The ODC, of course, merely refers to such domination processes as its "communications program"

> ODC's program of communications is designed to broaden American understanding and concern with the problems of development and U.S. relations with the poor countries. The program is aimed at both decision-makers and the general public, and is the complement of the council's analytical studies. The staff uses three main channels of communication: publications, meetings and seminars, and close cooperation with a number of non-governmental organizations (ODC, 1972:19).

Apart from its series of publications, however, the ODC does not make a regular habit of documenting for public consumption the size or details of its other means of influencing activities. While the 1972 Annual Report did itemize such activities, the later Annual Reports merely stated generalities. Nevertheless, the 1972 Annual Report details do shed some light on how the ODC goes about trying to influence decision-makers and the general public. Some additional data were gleaned from third party sources (e.g. newspaper reports; Congressional records) and from direct correspondence with the ODC, which sent us information on the Transnational Dialogues Project. And as earlier noted, such inside documents as minutes, correspondence or memoranda are not available for study -- hence the analysis can only deal with public manifestations of policy-formation and ideology-propagation.

ODC Meetings and Seminars

According to the ODC's 1972 Annual Report (hereinafter referred to as the Report),

> the ODC convened over twenty high-level policy seminars and another twenty discussions and briefings on specific development issues. The participants in the policy seminars included members of Congress and Executive branch officials and representatives from the Diplomatic Corps, as well as academicians and officials of international institutions. Participants in other ODC meetings included members of the press, and leaders of other groups and organizations working in the development field (ODC,1972:19).

Details in the Report are summarized in Table 28, which documents seminars and meetings where non-ODC staff are present as speakers or as panel chairman (i.e. the table does not include press luncheons or other meetings featuring only ODC staff, though this does not mean that such meetings are any less important for influencing purposes).

It is seen that ODC-invited speakers come from a broad range of institutions -- corporate, governmental, multilateral agencies, non-governmental organizations (NGO's), elite research centers, think-tanks, and occasionally Third World representatives. Such high-level policy

Table 28

Summary of some 1972 ODC Meetings and Seminars on "Development" Issues

TOPIC	OCCASION*	SPEAKERS OR PANEL CHAIRMAN (NON-ODC STAFF)	SPEAKERS' INSTITUTIONAL AFFILIATION IN 1972
Foreign Assistance	PL	Robert R.Nathan	Robert A.Nathan Associates[a]
		C.Fred Bergsten	Brookings Institution
	S	Lincoln Gordon	SAIS, John Hopkins[b]
		Marian Czarnecki	Staff consultant, U.S.House Committee on Foreign Affairs
		James R.Fowler	USAID
		Jerome Levinson	Inter-American Development Bank
	LD	Henry S.Reuss	U.S.House of Representatives
	PL	Edward S.Fried	Brookings Institution
		Sidney Weintraub	Deputy Asst.Secretary for Intl.Finance & Development, Dept. of State
	PL	Robert S.McNamara	President, World Bank
International Economic Order	PL	Sidney Bell	UNCTAD[c]
		David Pollock	U.N.Commission for Latin America
	PL	Edwin Martin	Development Assistance Committee, OECD
	LD	John Hannah	USAID
		Edwin Martin	Development Assistance Committee, OECD
	LD	Philip Land	Political Committee on Justice & Peace
	LD	Zbigniew Brezinski	Research Institute on Communist Affairs, Columbia University
	S[d]	Hollis Chenery	World Bank
	LD	Nathaniel McKitterick	Consultant
		B.Jenkins Middleton	Patton,Blow,Verrill,Brank, & Boggs
	LD	John R.Petty	Lehman Brothers

Table 28 (continued)

TOPIC	OCCASION	SPEAKERS OR PANEL CHAIRMAN (NON-ODC STAFF)	SPEAKERS' INSTITUTIONAL AFFILIATION IN 1972
Latin America	S	Lincoln Gordon Raul Prebisch	SAIS, John Hopkins United Nations
	S	Lincoln Gordon Joseph Collins James T.Cotter Rev.Philip Wheaton	SAIS, John Hopkins Institute for Policy Studies n.a. EPICA^e
	S	Lincoln Gordon Joam Castro	SAIS, John Hopkins Brazilian ambassador to U.S.
	S	Bishop Antonio Fragoso	n.a.
Agricultural development	S	William I.Jones	Economic Development Institute
Environment	S	Thornton F.Bradshaw Maurice Strong	President,Atlantic-Richfield United Nations
South Asia	S	John P.Lewis Gustav F.Papanek	Woodrow Wilson School,Princeton^f Harvard's Development Advisory Service
		Herbert Rees	USAID
	S	Krishna Kumar	I.A.S.Collector,Ernakulam district, India
China	S	Ezra Vogel	Harvard's East Asian Research Center
Other	S	Saburo Okita	President,Japan Economic Research Institute
	S	Aaron Wildavsky	Dean,Graduate Sch.of Public Policy,Univ.of California
	S	William S.Gaud Reginald Prentice	International Finance Corporation M.P. United Kingdom(former Minister of Overseas Development)

SOURCE: ODC Annual Report,1972

PL - Press luncheon; S- Seminar; LD - Lunch/dinner meeting

a. A consulting firm with Third World interests
b. School of Advanced International Studies, John Hopkins University
c. United Nations Conference on Trade & Development
d. Four seminar sessions
e. Ecumenical Program for Inter-American Communication in Action
f. Woodrow Wilson School of Public & International Affairs, Princeton University

seminars and discussions provide therefore ODC staff with opportunities, on the one hand, to call upon external "expertise" to elucidate development issues central to ODC's concerns; and on the other hand, to develop elite consensus on and to promote ODC perspectives on those issues among U.S. and UDC power-elites. Here, not surprisingly, scarcely any radical analysts were featured among invited speakers. One 1972 seminar on Latin America did include two representatives from critical non-governmental institutions like the Institute for Policy Studies (whose most prominent associate is the MNC critic Richard Barnet) and EPICA, a small progressive inter-church group focussing on Latin American affairs. But these exceptions obviously pale beside the impressive array of "modernization" proponents and corporate or State elites. Indeed, that the ODC has been able to feature such prominent power elites as Robert McNamara, Zbigniew Brzezinski, Atlantic-Richfield's Bradshaw, Brooking's C.F. Bergsten, and Japan's Saburo Okita is strong testimony to ODC's "big league" standing among policy-planning groups in Washington.

Another illuminating example of ODC policy-formation meetings (not listed in Table 29) is the 1970-71 ODC seminar series on "American Interests in East Asian Development".(Malmgren, 1972: xi) Among the 40 odd participants, there were (a) 14 top corporate executives, including 11 vice-Presidents of MNCs like Chase, Exxon, Manufacturers Hanover, Caterpillar Tractor, Ford, Kaiser, John

Reere and Texas Instruments; (b) 6 State officials, including 2 assistant secretaries (State, Treasury) and the Chairman of U.S. Export-Inport Bank; (c) 5 policy-planning experts (e.g. CFR; Institute for Defense Analysis); (d) 3 U.S. Congressmen; and (e) 5 UDC diplomats. This seminar series, in ODC's words, was aimed "to help map the future United States relationship with this vital region". The substantial high-level corporate representation at these meetings confirms just how "vital" the East Asian region is to U.S. power-elites.

The audience too at ODC's high-level policy meetings appear, as one would expect, no less "distinguished". In this regard, it bears noting that the "influencing" value derivable from such meetings lies not merely through the formal presentations and exchanges, but also -- and perhaps even more importantly as one power-structure researcher argues (Roose, 1975:60) -- through the informal socializing process. Some pictorial evidence is available in the 1972 and 1973-75 Annual Reports showing such informal interactions at various high-level policy meetings. For example, one picture shows ODC President James Grant conversing with World Bank's Chenery, IDB's Morales and Czarnecki of the U.S. House of Representatives Committee on Foreign Affairs. Another was captioned thus:

> ..... Nurul Islam of the Bangladesh Ministry of Planning discussing the future prospects of Bangladesh with Andrew E. Rice ... of the Society for International Development and Congressman Edward G. Biester Jr.... at an ODC seminar.

A 1973-75 photograph showed ODC Director David Rockefeller (Chairman, Chase Manhattan) beside a fellow Director Robert Anderson(Chairman, Atlantic-Richfield). Both were listening to U.N. UnderSecretary General for Political & General Affairs F.B. Morse. Another picture focuses on U.K. modernization expert Lady Barbara Ward talking with Edwin Dale of the New York Times at an ODC briefing on the U.N.'s special session on Raw Materials. And last but not least, the World Bank's policy-planner and frequent ODC guest-writer, Mahbub ul Haq, is seen conversing with ODC President Grant and USAID Administrator (also ODC Director) Daniel Parker.

It is evident that the ODC regards its "communications" seminars and meetings as important policy-formation and ideology-propagation instruments, for by 1974, the Council was holding over 50 meetings (20 in 1972) on such topics as

> the world food crisis, the energy situation, the Panama Canal and its implications for U.S.-Latin American relations, and the prospect for international agricultural research, the Chinese development model, Cuban economic development and future relations with the United States, and the issues before the United Nations in 1975. The Council also conducted -- with the co-sponsorship of the Carnegie Endowment for International Peace— a series of meetings on the restructuring of the new international economic order attended by private specialists, government officials, members of Congress, and U.N. representatives (ODC Report, 1973-75).

It should be noted too that ODC policy-formation has also proceeded through UDC elites. One instance was a four-day

International Conference on Food and Energy involving over 40 participants from the West, the Middle East, Asia and Africa. The New York Times (May 13, 1974) reported that Conference participants agreed on the need for more Western aid to LDCs, debt renegotiation, and national food stockpilling policies -- tactics, as later seen, endorsed by ODC's "development ideology". And last but certainly not least, there is the striking instance of ODC's involvement in the U.S. policy-formation process at its spcific interface with the candidate-selection process. This occurred in 1976, at a Conference (on "Nuclear Energy and International Order) organized jointly by the ODC and other elite associations (Institute on Man & Science; Aspen Institute for Humanistic Studies) and funded by the Rockefeller, Ford, and Charles F. Kettering Foundations. The star speaker at the Conference was none other than Presidential nomination hopeful Jimmy Carter, backed up by such ruling-class personages as Cyrus Vance,Zbigniew Brzezinski, W. Averell Harriman, and Charles Yost (an ODC Director since 1974) (New York Times, May 14, 1976).

In sum, ODC high-level policy meetings and seminars provide substantive opportunities for U.S.and UDC power-elites to forge consensus on issues of U.S.-UDC relations. Even in the absence of evidence on behind-the-scenes influencing activities, the data on public ODC policy-formation gatherings strongly suggests that leading U.S. power-elites deem the ODC to be sufficiently important for them to participate in the discussions.

ODC Publications

Whereas the high-policy meetings are generally accessible only to elite circles, the ODC's voluminous publications allow ODC ideology to reach not just U.S. power-elites and lower-echelon leaders, but also academic experts/students.Thus its publications program is indispensable to the ODC's ideology-process, although doubtless it helps too in policy-formation by providing a common framework and content for power-elite deliberations.

ODC publications fall into two major categories: (a) self-published monographs, books,papers and communiques, and (b) articles and reports written by ODC staff or writers for outside publications, including academic journals and the mass-media. Prior to inventorizing these publications, however,(since the bulk of them are produced by ODC staff themselves), it is relevant to briefly review the "development policy" qualifications and background of ODC staff researchers and writers.

ODC staff expertise. The key figure in ODC's staff is James P.Grant, President since ODC's inception. Grant is not merely an adminstrator, but also contributes frequently to theorizing. His forte obviously stems from over twenty years "experience in underdevelopment problems in Asia and the Middle East", with senior USAID appointments in Ceylon and Turkey in the 50's and 60's that later earned him the posts of Deputy Assistant Secretary of State for Near East and South Asian Affairs (1962-64), and Assistant Administrator of USAID (1966-69), responsible inter alia for Vietnam. With this practical background, Grant's appointment to lead the ODC is not surprising--given the "pragmatic" orientation of ODC's "development" policy-research activities. ODC's analyses of Third World issues do not generally, for example, have the technical or academic sophistication of studies undertaken by say the Brookings Institution, or Harvard's Center for International Affairs--although these studies are often cited as evidence for ODC policy-proposals. The exceptions are when academic or think-tank experts are invited to contribute specialized or technial monographs or papers.

After Grant, the responsibility for ODC policy research rests upon the shoulders of the Senior Fellows and Fellows who besides organizing ODC's various communications programs, regularly produce ODC's "edvelopment papers", monographs and other publications. There are also the one or two Visiting Fellows on hand each year,and occasionally external experts are called upon to contribute papers or monographs.As Appendix III indicates the bulk of ODC Senior Fellows and Fellows have one common feature in job background: their initial careers or immediate past work was in a "development"-related planning or administrative capacity. Thusit is only in the case of invited writers, especially for monographs and specialized papers, that we get established academic experts like MIT's Bhagwati or Princeton's Charles Frank. This observation supports the proposition that ODC's "research" thrust is towards repackaging the technically "complex" knowledge, often produced in "development" academe or think-tank circles, in a form more amenable to be utilized in policy-planning and formation. Hence the frequent resort in ODC writings to the language of "options" and the avoidance of "grand theorizing" or excessive conceptualizing typically reflected in traditional modernization literature (a'la Rostow, McClelland, Hoselitz, Inkeles).

ODC-published literature. Table 29 provides an inventory of publications released directly under ODC auspices over the period 1970 circa 1978/79, and upon which the content analysis of ODC's "development ideology" will be based. These publications, totalling some hundred odd items, are classified under various series. "Communiques" are briefs about 8 to 12 pages on "important issues in the development field" that are often simplified summaries of extended discussions found in other ODC publications. Such pamphlets are obviously aimed at busy corporate or governmental elites as well as the general non-academic public audience. The "Development Paper" series is defined as "thorough professional discussions of various development problems intended for professionals, academics, and students." It is these "development papers" which furnish concise representations of ODC ideology on all key aspects of Third World problems, such as aid, unemployment, rural development, industrialization and trade.

The "Occasional Paper" series, as well as the "mono-

Table 29

ODC Publications -- An Inventory

I. "COMMUNIQUE ON DEVELOPMENT" SERIES

Author	1970	1971	1972	1973	1974	1975	1976	1977	1978
ODC Staff	2	11	2	4	1	2	2	1	-
Non-ODC Staff	-	1	-	2	1	-	2	-	-
								Total =	31

II. "DEVELOPMENT PAPER" SERIES

Author	1970	1971	1972	1973	1974	1975	1976	1977	1978
ODC Staff	3	-	5	5	1	3	1	-	1
Non-ODC Staff	-	3	-	-	-	-	1	2	1
								Total =	26

III. "OCCASIONAL PAPER" SERIES

Author	1970	1971	1972	1973	1974	1975	1976	1977	1978
ODC Staff	-	1	3	1	-	-	-	1	-
Non-ODC Staff	-	1	1	-	-	-	1	-	-
								Total =	9

IV. "MONOGRAPH" SERIES

Author	1970	1971	1972	1973	1974	1975	1976	1977	1978
ODC Staff	1	2	-	1	-	-	-	-	1
Non-ODC Staff	2	-	1	1	-	-	-	-	-
								Total =	9

V. "AGENDA FOR ACTION" SERIES

One each for the years 1973 to 1977, and 1979 (No agenda was published for 1978). This is ODC's annual assessment of the current major problems and decisions facing the United States in its relationswith the developing countries.

VI. BOOKS

Development Today: A New Look at U.S.Relations with the Poor Countries Edited by Robert E.Hunter & John E.Reilly (New York:Praeger,1975). Published in cooperation with the ODC.

Pacific Basin Development:The American Interests Edited by Harald Malmgren (Lexington,Mass:D.C.Heath,1972). Published in cooperation with the ODC.

Seeds of Change:The Green Revolution and Development in the 1970's By Lester R.Brown (New York:Praeger,1972)Published in cooperation with the ODC.

World Without Borders By Lester R.Brown (New York:Random House,1972).

Development Reconsidered By Edgar Owens & Robert Shaw (Toronto:D.C.Heath,1972).

Focussing on Global Poverty and Development:A Resource Book for Educators By Jayne Millar Wood (Washington,D.C.:Overseas Development Council,1974)

In the Human Interest By Lester R.Brown (New York:W.W.Norton,1974).

By Bread Alone By Lester R.Brown & Erick P.Eckholm (New York:Praeger,1974).

Beyond Dependency:The Developing World Speaks Out Edited by Guy F.Erb & Valeriana Kallab (New York:Praeger,1975).Published for the Overseas Development Council.

Global Justice and Development:The Report of the Aspen Inter-Religious Consultation (Washington,D.C: Overseas Development Council,1975).

Beyond Charity:U.S.Voluntary Aid for a Changing Third World By John Sommer (Washington,D.C.:Overseas Development Council,1977)

Employment, Growth and Basic Needs:A One-World Problem By ILO(International Labor Organization) (Washington,D.C:Overseas Development Council,1977).

The Uncertain Promise:Value Conflicts in Technology Transfer By Denis Goulet (Washington,D.C:Overseas Development Council & New York:IDOC North America,1977).

Policy Alternatives for a New International Economic Order. Edited by William R.Cline (New York:Praeger,1979). Published for the Overseas Development Council.

graph" series, are usually specialized, technical treatments of specific topics. Book-length studies have also been written by ODC staff, such as former Senior Fellow Lester Brown on food and population issues. But more commonly, ODC-published books are collections of articles or conference papers by invited experts and spokes-people on "development" topics central to ODC's concerns.

Last but not least, the ODC publishes each year its "Agenda for Action"-the ODC's "annual assessment of current major problems and decisions facing the United States in its relations with the developing countries." The format of presentation in these annual "Agendas for Action" is the kind of policy papers that decision-makers typically use to aid policy planning and formation-- viz, concise summaries of the "state of knowledge" on an issue, followed by discussion of "pros" and "cons" of various policy implications or options for the future. It can be safely assumed that the ODC regularly sends copies of its "Agendas for Action" to key State and corporate power-elites as an integral part of its influencing activities. Worthy of mention here is the fact that one of the three major essays in ODC's 1977 "Agenda" is entitled "Major U.S. Options of North-South Relations: A Letter to President Carter", and written in the format of a missive with "Mr. President" strewn throughout the text. Even if Carter himself does not read the essay, it is most likely that at least one of his advisers or staff will have ruminated over its ideas and "options".

External publications. ODC staff also frequently write on ODC ideology in external publications, including newspapers, academic journals, and magazines. In 1979, such articles numbered over 50; in 1974, over70. Newspapers and journals which have printed ODC analyses include the Wall Street Journal, Foreign Policy, Baltimore Sun, New Republic, Minneapolis Tribune, Saturday Review, New York Times,Africa Report, and the Los Angeles Times. Details in ODC's 1972 Annual Report furnished the following categorical count of such outside publications in 1971-72: 15 articles in newspapers and general magazines (Washington Post-5; Baltimore Sun-4; New York Times-3); 8 articles in development and aid journals; 8 contributions to national affairs magazines, including 1 in the elite Foreign Policy; 6 articles in business magazines; and 6 assorted others. Clearly, as the ODC itself admits, it "makes a determined effort to place the results of its work in other publications in order to reach as wide an audience as possible" (ODC,1972:20).

In 1975, the ODC claimed that "over a thousand seperate newspaper and magazine stories using ODC findings have resulted" (ODC, 1975:2). Such utilization is no doubt fostered via ODC's "regular monthly press luncheons and its periodic regional seminars for journalists in order to make the results of its research program available to those reporting on current national and international developments"(ODC,1975:8). Furthermore, mass-media elites who sit on ODC's Board, like Time's V-P for Government Affairs,Barry

Zorthian, can be counted upon to help make ODC ideology better known and more credible in the mass-media community.

Given the availability of their indexes,[63] two elite daily newspapers which have afforded the ODC publicity and support-- the New York Times and the Washington Post--are examined over several years to inventorize ODC-written and ODC-related news reports. Tables 30 and 31 give respectively a concise summary of such reports found in the New York Times (1970-circa June, 1977) and the Washington Post (1972-1976). The data confirm the considerable interest in and reliance of both the New York Times and the Washington Post on ODC perspectives and activities in "development" policy-planning. Since these are among the top-ranking U.S. daily newspapers, not least in the area of foreign affairs, their sympathetic coverage of ODC-originated ideology or ODC-related news represents a prominent feather in ODC's influencing cap.

Electronic media publicity. To spread its ideology, the ODC also relies on the "instant" publication afforded by the electronic media. According to the 1973/75 Annual Report, the ODC has established

> "continuing contact with several network documentary units, which have come to use ODC research findings as an information source with increasing frequency. In the past year, ODC staff and board members have appeared on a variety of radio and television shows, including ABC CLOSE-UP ON FOOD, FIRING LINE, THE MIKE DOUGLAS SHOW, and TODAY" (ODC,1975:8).

One example reported in the New York Times (Oct 28,1974) was the TV debate on U.S. food policy, featuring then Secre-

Table 30: Inventory of ODC-Related News Items in the New York Times(1970-circa June,1977)

Topic	Type of News Item[a]	Date(s)
Formation of ODC	NR	Mar, 1970
Congressional Hearings on Foreign Aid	NR	May, 1970
Foreign Aid	OA	Jan, 1972
	OA	Feb, 1976
ODC Chairman elected Director of Chase Manhattan Bank	NR	Mar, 1972
ODC Chairman elected Chairman, Rockefeller Foundation	NR	Jan, 1976
U.S. Mineral Dependency	OA	Nov, 1972
ODC-Ford Foundation Publicity Project on India	NR	Jan, 1975
		Dec, 1976
Energy Issues	OA	Jun, 1976
Conference on Food and Energy	NR	May, 1974
Special U.N. General Assembly Session	NR	Sep, 1975
U.S.-Soviet Relations	NR	Jan, 1977
ODC's Physical Quality of Life Index	NR	Mar, 1976
Food Issues - Senate Hearings	OA	Mar, 1974
	NR	Jun, 1974
- Green Revolution	OA	Jan, 1972
- MidWestern Governors Conference	NR	Jul, 1974
- U.S. Food Reserve Policy	OA	Jun, 1974
- World Food Conference	NR	Aug, 1974
	NR	Nov, 1974
	NR	Nov, 1974
	NR	Mar, 1975
- Fertilizer Policy	OA	Aug, 1974
	NR	Sep, 1974
- State Department Conference for NGO's	NR	Sep, 1974
- Food Scarcities	NR	Jul, 1972
	OA	Sep, 1974
	NR	Oct, 1974
	NR	Feb, 1975
	OA	Jun, 1977
- Food Aid	NR	Oct, 1974
	NR	Nov, 1974
- U.S. Agriculture	NR	May, 1974
	NR	Oct, 1974
- TV Debate on U.S.Food Policy	NR	Oct, 1974
- National Panel on Food and Nutrition	NR	Jun, 1976

SOURCE: The New York Times Index; various issues of the New York Times

a. OA refers to whole articles or letters written by ODC staff. NR refers to news reports by newspaper staff. The reports may cite views of ODC staff attending press conferences; Congressional hearings and other forums or conferences, or may be New York Times (or Washington Post in Table 31) analyses of "development issues" in which ODC writings or views are quoted.

Table 31: Inventory of ODC-Related News Items in the Washington Post(1972-76)

Topic		Type of News Item[a]	Date(s)
Global interdependence		OA	Nov, 1972
		NR	Oct, 1972
		NR	Aug, 1974
		NR	Apr, 1976
		OA	Mar, 1976
		OA	Apr, 1976
U.S, Foreign Economic Policy		OA	May, 1972
IMF, World Bank		OA	Sep, 1972
Taiwan and South Korean "miracles"		OA	Sep, 1972
U.S, Foreign Aid		OA	Apr, 1972
		OA	Jul, 1973
Food Issues	- World Food Bank	OA	Aug, 1973
	- Congressional Hearings	OA	Aug, 1973
		NR	Aug, 1973
	- Food Scarcity	OA	Jul, 1973
		NR	Mar, 1974
		OA	Nov, 1974
	- Food Aid	NR	Nov, 1974
ODC Senior Fellow Lester Brown		NR	Jul, 1974
		NR	Oct, 1974
ODC Chairman Theodore Hesburgh		NR	Nov, 1976
		NR	Nov, 1976

SOURCE: The Washington Post Index; various issues of the Washington Post

a. See footnote (a) , Table 30

tary of Agriculture Earl Butz and a panel of four non-governmental organization experts. The experts included Sterling Wortman (Vice-President, Rockefeller Foundation), Harvard's nutritionist Mayer, and ODC's Lester Brown. The New York Times report quoted Brown's summary at the end of the debate as: "short run (solution)..stepped up food aid from the U.S.. Long-term, putting the brakes on population growth." Such appearances by ODC personnel together with top-ranking State and corporate elites not only helps disseminate ODC ideology to the U.S. public; it also enhances the "credibility" and "respectability" of ODC views.

Liaison Activities

Besides its publications program, another vigorous facet of ODC's ideology-process lies in its "liaison" with various non-governmental organizations (NGOs) interested in "international development-education". U.S. NGOs listed as cooperating included the American Council on Education, the American Freedom from Hunger Foundation, Congress for Peace through Law, National Farmers Union, U.S. Chamber of Commerce, One World Coalition, League of Women Voters, American Association of University Women, and the Sierra Club (ODC, 1972:19; ODC,1973:10). One liaison channel is an ODC-seminar series for NGO representatives in Washington "to provide current information and a forum for the exchange of ideas" (ODC,1973:10).

The ODC also claims to have become "a major resource for many religious groups working to educate the members of their congregations on issues of global poverty and social justice" (ODC,1973:10). These religious groups span the major national church bodies in the U.S., viz the National Council of Churches, the U.S. Catholic Conference, and the American Jewish Committee. In this regard, ODC's Chairman, Father Theodore Hesburgh(President, Notre Dame University) has liaisoned closely with top U.S. religious leaders (e.g. Terence Cardinal Cooke of New York; Rabbi Tannenbaum of the American Jewish Committee) in calling for increased U.S. food aid to LDCs (Washington Post, Nov 23, 1974).

Some of the NGOs listed above are also represented on ODC's Board and it is reasonable to expect other NGO Board Directors, such as Africare, International Voluntary Services, Population Crisis Committee and the United Methodist Church to be similarly cooperative with the ODC in propagating ODC's "development ideology". International NGOs too have been targets of ODC's liaisoning activities. They include the Society for International Development, the World Council of Churches, the U.K. Overseas Development Institute, and INTAL in Argentina. Undoubtedly, through these liason activities with major NGO groups, the ODC is considerably assisted in spreading its "development ideology" among a broad spectrum of U.S. citizens and members of the international NGO "development" community.

A final but not unimportant aspect of ODC "liaison" activities is the ODC's active propagation of its development ideology within U.S. schools. In 1974, it published a 500 page resource book which ODC President Grant describes as

> conceived and designed in response to the need for usable, comprehensive materials to help teachers immediately integrate studies of global development and interdependence into existing courses. We hope this syllabus will provide a framework for understanding the United States and developing countries in an interdependent world (Millar, 1974: i).

As shown in Section III's content-analysis of ODC ideology, this school resource-book serves the ODC well in propagating modernization themes and specific ODC views (infra: Chapter 10).

ODC's "Transnational Dialogues"

A specific effort by the ODC in "development-education" for the U.S. public deserves separate treatment here, given its scope and size. This is the ODC's "Transnational Dialogues Project" or TND (ODC, 1978a; 1978 b; 1978 c). The TND project was organized by the ODC in cooperation with the Charles F. Kettering Foundation over the 1976-78 period. As recorded in an ODC (1978a) document,

> during 1976 and 1977, fifty Americans drawn from diverse sectors of the American public participated in a series of three international dialogues with the peoples of developing countries in Latin America, West Africa and South Asia .... The aim of the dialogues was to involve leaders of American constituency groups, as well as local, state and federal officials, in discussions on global food and development issues with their counterparts in the developing world so as to better understand one another's perspectives and interests on these issues.

The 50 participants came from 19 U.S. states, and in ODC's (1978b) description, are "representative of some of the many competing interests in the United States on food and development issues and policies". Such "competing" interests included state and Federal government officials, foreign policy specialists, academics, farmers, migrant workers, Southern rural cooperatives and agribusiness. Table 32 gives a breakdown of the 50 TND participants by institutional or career affiliation.

The first TND group of 18 Americans visited Ecuador over August 1-8, 1976. Their focus was on "rural development" and food production, U.S.-Latin American food trade relations, and international agricultural research. The group visited a large private farm and a rural collective, and also held discussions with representatives of the Ecuadorian government, business and academic communities. "Dialogue" counterparts of TND Americans comprised 15 Latin American government and "development" officials, representing 7 South and Central American LDCs.

The second TND group, again of 18 Americans, visited Mali and Senegal over April 15 to May 15, 1977, to obtain "a firsthand assessment of the long-term development prospects for these two countries and for the Sahelian region as a whole." Field visits were conducted to rural areas to meet agricultural/rural development officials and workers, then followed by discussions with Mali and Senegal government authorities. The ODC also cited cooperation in the

Table 32. Institutional/Career Affiliation of ODC's "Transnational Dialogues" Participants

Institutional/Career Affiliation	No. of Participants
Federal Government	5
Local/state government	5
Corporate	9
Labor	3
Mass-media	2
Educators	7
NG)'s	8
Other	3
Foundations	3
ODC	5

SOURCE: ODC (1978a)

TND project from USAID, from Africare (an ODC supporter with aid projects in the Sahel) and from several U.S. Ambassadors to West African LDCs.

The third TND group of 18 Americans visited India and Sri Lanka over October 21-November 7, 1977. This "dialogue focussed on 'self-reliant development' in South Asia, its implications for U.S. and South Asian food policies especially regarding increased food production and improved nutrition and on meeting the basic needs of the poorest people in this region." Again, the TND Americans visited rural and agricultural development projects, and "dialogued" with private individuals and government officials of these LDCs.

Not surprisingly, the ODC and its co-sponsor did not merely send 50 Americans to look at LDCs but also anticipated their role as potential influencing agents of the U.S.

public via their organizational affiliations, the mass-media, government agencies, and community education programs. Thus

> after each of the Transnational Dialogues a follow-up workshop has been held at the Wingspread Conference Center in Racine, Wisconsin, with the support of the Johnson Foundation. These meetings have enabled the U.S. participants to evaluate their dialogue experiences, to discuss further the political, social and economic aspects of food and development in each of the developing regions and in the United States, and most importantly, to plan for continuing activities aimed at involving many more Americans in dialogue on these crucial issues (ODC, 1978b:3).

At a follow-up workshop involving all TND participants in February, 1978, "information and insights" were shared in the context of TND experiences in the three regions visited. But more importantly, in terms of the ideology-process, TND task force members "began to plan ways of collaborating on a variety of projects and programs to sensitize particular American audiences and constituencies to global issues."

Appendix IV reproduces the "concensus" reached at this follow-up workshop among TND participants on global "development" issues, and their recommendations for U.S. foreign policy vis-a-vis those issues. It suffices to state here that the workshop concensus and ODC's worldview are virtually indistinguishable, even though the ODC noted differing viewpoints among TND participants over underdevelopment causes and solutions:

> Some maintain a basic optimism in present institutions and structures and believe that time, leadership, internal reform, and/or 'new approaches' to development will lead to an amelioration of present problems and injustice. Others believe that the very nature of existing institutions concentrates power over resources, labor, capital etc, in the hands of an elite few, both within

> and between nations, and until there is a radical restructuring of these institutions, there will be little justice for the majority of the world's people who are poor and hungry (ODC, 1978a: 1).

Despite such apparent polarization of views, the ODC-published consensus (Appendix IV) is certainly couched in the reformist, non-radical terms embodied in the former posture -- a result to be expected given the backgrounds of most TND participants, and given the ODC's natural vested interest in seeing that the TND project "pays off" in influencing potential and impact.

According to the ODC's (1978b:3) progress report

> to date, the participants have shared their experiences and insights with American educators, religious, labor and business leaders, colleagues in government and non-governmental organizations, farmers groups and research institutes. Task Force members have also given numerous radio and television interviews and have contributed to over 100 articles in newspapers and journals relating to the experience and/or global food and development issues generally. In addition, a Seed Fund has been established to help participants to plan and carry out local community education and action programs building on the TND experience.

One TND participant to Africa, Alvin Brooks, who is assistant city manager of Kansas City, claimed to have spoken to over 11,000 people of his African experience (Christian Science Monitor, April 28, 1978). The Seed Fund Projects include a citizen education program on trade for the membership of a large lobbying organization, a film documentary, and establishment of a clearing house on development education materials (ODC, 1978c).

In sum, these Transnational Dialogues Projects strikingly illuminate the operating details of the "mass" or public aspect of ODC's influencing activities, and highlight again our earlier proposition: that the ODC serves the U.S. ruling-class in reaching out to the "common citizen" on a scope more intensive and comprehensive than other ruling-class backed elite associations like the CFR, Brookings, or Aspen Institute for Humanistic Studies.

Influencing Congress

Last but not least, the ODC has been vigorous in appearing before Congressional committees on issues within its sphere of interests. According to ODC President Grant (1974: 609), ODC's appearances at Congressional hearings are "normally on the basis of invitation". The striking feature about ODC's lobbying activities on Capitol Hill, however, lies in its apparent greater sway, compared to ordinary NGOs (e.g. church, citizen agencies), on foreign policy matters such as aid, trade, energy and food. This may be deduced from Table 33 , which gives a concise breakdown of all Congressional committee hearings in which ODC witnesses participated, by topic discussed and the different kinds of other witnesses appearing for the same hearing. It is seen that in some 70% of 54 Congressional hearings, ODC representatives were the only non-governmental-organization personnel to appear on the same day as State elites. In the eyes of Congressional organizers of the hearings, ODC opinion ranks on a "par" with established intellectual elites from Harvards or Brookings, or State officials, or

Table 33

Appearances by the ODC before Congressional Committee Hearings (Dec. 1969 - Apr. 1978): A Summary

Topic	No. of Hearings Before					Total No. of Hearings	No. of Hearings Featuring				
	Senate Committee		House Committee		Joint Committee		ODC as sole NGO on same day as State/Corporate /Intellectual Elites				
	Foreign relations	Other	Foreign[1] affairs	Other				Other NGO's[*]	State[*] Elites	Intellect-ual Elites[*2]	Foundation /Corporate Elites[*]
I. General Inter-dependence	-	-	3	1	2	6	5	3	6	6	5
II. Foreign Aid	4	2	5	2	-	13	7	10	13	11	8
III. Food	1	9	5	1	-	16	10	7	14	12	9
IV. Energy	1	1	2	2	2	8	7	2	6	7	7
V. Trade	-	3	2	2	-	7	5	2	5	6	7
VI. Specific LDC Areas	1	-	3	-	-	4	4	-	4	4	-
TOTAL	7	15	20	8	4	54	38	24	48	46	36

SOURCES: CIS(Congressional Information Service)/Five Year Cumulative Index 1970-74. Washington, D.C.:CIS; CIS(Congressional Information Service)/Annual Index & Abstracts of Congressional Publications and Public Laws(1975, 1976, 1977, 1978) Washington, D.C.:CIS

* Witnesses who may or may not appear on the same day as ODC staff, since Hearings can be extended over several days or at different dates in one or more years.

[1] Now known as Committee on International Relations

[2] Including university experts and think-tank personnel

corporate leaders. Some concrete examples should make this point clear.

Thus at a Joint Congressional Economic Committee hearing in May, 1970 on U.S. foreign economic policy for the 1970's, ODC President Grant espoused "global interdependence" on the same day as W. Averell Harriman (a veteran CFR "cold war" leader and Truman's Director of Mutual Security), Paul C. Warnke (former Assistant Secretary of Defense, SALT negotiator), Hans Morgenthau (elite political scientist) and David Bell (former USAID Administrator, now Executive Vice-President, Ford Foundation). No other NGO representatives appeared at these hearings, which also called as witnesses notables like Rudolph Peterson (former Chairman, Bank of America; Chairman, Nixon's Task Force on International Development), Daniel Parker (Chairman, Parker Pen Co., an ODC Director, and later to be USAID Administrator), A. Knoppers (Senior Vice-President, Merck & Co.) and Chicago-LSE elite economist Harry G. Johnson (CIS, 1970a).

On July 19, 1974, ODC President Grant appeared before the House Foreign Affairs Committee to consider the 1975 Foreign Assistance Request. His sole companion witness was Harvard's influential "political modernization" expert, Samuel Huntington. A year later, Grant participated in the Senate Foreign Relations Committee hearings on U.S. foreign aid programs and policies. His fellow witnesses at the same session were Brooking's C.F. Bergsten and E. Fried, and Harvard's Joseph Nye. On the same day, the Committee heard leading power-elites George Ball (former Undersecretary of State), McGeorge Bundy (President, Ford Foundation), and USAID Administrator Daniel Parker. Other witnesses included ODC-supporters C.R. Wharton (President, Michigan State University) and the U.S. League of Women Voters, an ODC association-supporter (CIS, 1976b). Then at the House Banking & Currency Committee's hearing on international "development" institutions (e.g. World Bank, IDA) in March 1977, there were no less than 3 other ODC-linked elites to back up Grant's support of multilateral aid mechanisms, namely Harlan Cleveland (Aspen Institute for Humanistic Studies), C.F. Bergsten (Brookings; Assistant Secretary Designate, Dept. of Treasury), and Richard Cooper (Yale; UnderSecretary Designate, Dept. of State) (CIS; 1977).

Apart from Foreign Assistance hearings, the ODC has also featured prominently in hearings on energy and food issues. President Grant, for example, testified together with Treasury Under-Secretary Jack Bennett on June 19, 1974 before a House Banking & Currency Committee hearing on the "international petrodollar crisis" (CIS, 1976c). A year later, Grant appeared with Richard Cooper (Yale; ODC Director) and Peter G. Peterson (former Secretary of Commerce) before a Joint Economic Committee on U.S. Foreign Energy Policy. There they advised on the need to encourage world wide economic interdependence and on the counter-productivity of U.S. confrontation against OPEC (CIS, 1976d).

Finally, on food issues, Lester Brown (ODC's agricultural expert until 1975) and other ODC staff have testified before Congressional committees together with such State, corporate or intellectual elites as Charles S. Dennison (Vice-President, International Minerals & Chemicals), Orville Freeman (former Agriculture Secretary, now President, Business International Corporation and an ODC Director), Norman Borlaug ("Green Revolution" corporate scientist), executives of agribusiness giants like Cargill and Continential Grain, and top-ranking officials of USAID, Commerce and Agriculture departments (CIS, 1970b; 1974a; 1974b; 1974c).

All these examples show that the ODC and its staff command enough respect on Capitol Hill to be heard very frequently on "development"-related issues, whether by invitation or by request. Besides, appearing in the "distinguished" company of well-known ruling-class personages should enhance ODC's institutional image and hence its influencing potential. Clearly too, the presence of many ODC-linked elites at the same hearings should help to reinforce ODC's development-ideology in Congress. For example, even when ODC Directors appear as official representatives of their own affiliated career institutions, their presentations fall within the ODC's paradigm. Instances include statements on foreign aid by John Lewis (1973), Orville Freeman (1973a; 1973b), and Edward Mason (1973); on trade by Fred Bergsten (1972; 1973); and on economic interdependence by Richard Cooper (1972).

Finally, it should be noted in passing that many Congressional Hearing reports include articles and writings by ODC staff -- some 11 of the 54 hearings where ODC witnesses appeared. ODC writings too were found in six Congressional Documents, which are compilations of experts' views on particular topics (CIS,1974d; 1974e; 1974f; 1973a; 1973b; 1975).

CONCLUDING NOTES ON ODC'S POTENTIAL INFLUENCE ON PCLICY-FORMATION

In the preceding sub-sections of this chapter, evidence has been accumulated to assess the "potential influence" of the ODC on U.S. foreign-policy formation, and to document public manifestations of ODC's policy-formation and ideology-propagation. Linked to well-known corporate, state, and/or intellectual power-elites, the ODC can be said to have a heavy pool of "potential influence" at its disposal. In its policy-formation process, the ODC calls upon such power elites to grace its functions and acts as a quasi-public arena where these elites can regularly forge consensus, crystallize strategies and tactics, and make known their views on issues within ODC's frame of reference (ie. U.S.—UDC relations) to those in official policy-planning capacities. At the same time, ODC staff function much like "research assistants" and "public relations" experts to reformulate these perspectives in an attractive, "social-scientific" package for distribution (a) below to the U.S.

masses (via inter alia publications and liaison activities), and (b) above to middle-level and top-level official decision-makers on U.S. foreign policy (via ODC publication, and public or off-the-record exchanges).

However, since the methodology employed does not include access to inside kinds of information (e.g. ODC private documents; internal observations), it was not possible to describe or draw any conclusions about specific influencing attempts on the formulation of particular foreign-policy issues, except partially in the case of appearances before public Congressional Committees. And furthermore, given that Congress is not the decisive maker of foreign policy, the interesting question of "how influential has the ODC been on actual State policy-formulation through the 70's" remains unanswered in the direct sense. Nevertheless, an indirect answer can be suggested -- through a composite "anectodal" inventory of recent power-network dynamics which imply, at the very least, a not insignificant achievement for the relatively young ODC in raising its power-status within the U.S. foreign-policy planning network.

To begin with ODC directors and staff, one finds certain significant career changes or events which suggest or indicated even closer links of the ODC with State policy-formation centers. Thus Director Daniel Parker moved into the post of USAID Administrator over 1973 to 1976, and returned to the Board thereafter. Anthony Lake who represented International Voluntary Services on ODC's Board, became Director of Policy Planning Staff, State Department, in the Carter Administration. According a recent U.S. News & World Report (Jan 28, 1980: 24), Lake was influential in shaping Carter's policies towards UDCs based on principles of interdependence -- which, as explained in Section III, constitute the crux of ODC ideology. Two other ODC directors who have been recruited into Carter's foreign-policy staff are intellectual elites: Brooking's C. Fred Bergsten (Assistant Secretary of International Affairs, Treasury Department), and Yale's Richard Cooper (UnderSecretary of Economic Affairs, State Department). Another long-standing ODC director, Leonard Woodcock (UAW President) became the first U.S. ambassador to China following opening of diplomatic relations.

Among ODC staff, Senior Fellow Guy F. Erb, is now a staff member of the National Security Council (U.S. Government Manual, 1978/79). ODC's long-standing expert on food, Lester R. Brown — though he did not move into government but launched instead under Rockefeller auspices his own think-tank — had by the time he left the ODC, established a somewhat "star" reputation within "development" policy-circles. A Washington Post biographical article (October 27, 1974: L-01-1) described Brown as

> one of the world's most influential thinkers -- one of the heroes of our time, a very honest guy and committed person (who joined the ODC in 1969 and became).. an apostle of world hunger.
>
> Now he has arrived. Representatives and senators invite him to private luncheons; the Prime Minister of Sweden engages him in after dinner

conversation ... he is on 'Meet the Press'

Now President of WorldWatch Institute, Brown has maintained close links with the ODC by sitting on ODC's Board.

Another Senior Fellow, Roger Hansen, served in 1977 as a Senior Staff member of the National Security Council (ODC,1979). Also, as earlier noted, Hansen moved in that year into the Jacob Blaustein Chair of International Organization, School of Advanced International Studies, John Hopkins University. But prior to this shift, Hansen had from 1974 to 1977 served simultaneously as a Senior Fellow of the 1980s Project of the Council on Foreign Relations. At the CFR, Hansen authored two studies on global interdependence (Hansen, 1979: Fishlow et. al., 1978), and participated in designing the 1980s Project on North-South Relations.

Here, it is highly relevant to add that besides Hansen, several ODC Directors play prominent leadership roles in the CFR's 1980s Project (supra:75). During 1975 and 1976, ten Working Groups had met to explore major international issues and to subject initial drafts of 1980s Project studies to critical review. Among these ten Project Working Groups, four were chaired by ODC Directors, namely ODC Chairman Rev., Hesburgh (Working Group on Human Rights), Roger Fisher (Working Group on Transnational Violence and Subversion), Lawrence C. Mcquade (Working Group on Principles of International Trade), and Eugene B. Skolnikoff (Working Groups on the Environment, the Global Commons, and Economic Growth). Playing a central advisory role in the work of the 1980s

Project is the so-called Coordinating Group, comprising nearly 20 elite academics and think-tank experts. Among these are at least three ODC Directors: Edward K. Hamilton, Stephen Stamas, and Richard Cooper.

Last but certainly not least, the 1980s Project is controlled by a governing body, namely the Committee on Studies of the Board of Directors of the Council on Foreign Relations. As of June 30, 1978, this Committee was chaired by James Perkins (ICED's President and long-standing ODC Director-Founder). Two other members among the 10-strong Committee are also ODC Directors, Walter J. Levy and Stephen Stamas. Another member, Robert Charpie, was ODC Director over 1975-77 (Hansen, 1979: xiv ff). Such close interlocks between the ODC and the CFR's 1980s Project can only further legitimate ODC's standing within the U.S. policy-formation network.

Turning next to ODC's long-standing President James Grant and Chairman Theodore Hesburgh, some interesting developments in their power-structural profiles occurred through the 70's which would have reflected favorably on ODC's institutional image. In late 1975, for example, Grant had secured the privilege to be part of an elite group of U.S. "leaders" of private organizations organized by the U.S. Committee on U.S.-China Relations to visit China in late 1975 (New York Times, Oct 4, 1975: 4) The leaders included, notably, Cyrus Vance (Chairman, Rockefeller Foundation, and Vice-Chairman, Council on Foreign

Relations; now U.S. Secretary of State); C. Burgess (President, Foreign Policy Association); J. Knowles (President, Rockefeller Foundation); and B. Manning (President, CFR). Such travelling around in the company of illustrous ruling-class personages surely helps to raise Grant's elite status, especially considering his career origins and record. Most recently, around 1979, Grant appears to have secured a firm niche in the U.S. power-elite , via his appointment to the Board of Trustees, Rockefeller Foundation.

In the area of "development" theory-and-practice, Grant also made career progress. Earlier, when analyzing SID or the Society for International Development (Chapter 5), it was noted that Grant served as a Vice-President from 1976 to 1979. Standing again for election in August 1979, Grant this time won the Presidency. This election success suggests, at the least, a growing acceptance of the ODC and ODC-type ideology within DC and UDC "development" circles. Finally, in January 1980, Grant left ODC's Presidency to become Executive Director of UNICEF (SID, 1979: 2-3). Such a promotion -- despite his departure from the ODC -- can be expected to enhance ODC's international image and application of ODC ideology within the U.N. System, since it would be most surprising if Grant does not remain on as an ODC Director or maintain close links with the ODC.

As for ODC's long-standing Chairman, Theodore Hesburgh was already well-known prior to his ODC involvement -- as President of the elite U.S. Catholic University, Notre

Dame, since 1952, and in various "social reformist" roles (e.g. Chairman, U.S. Commission on Civil Rights, 1969). But his "acceptance", so to speak, by the ruling-class probably came in 1972 with his election to a directorship of Rockefeller's Chase Manhattan Bank in 1972. As the New York Times (Mar 22, 1972: 63) noted, this "appointment ... makes him one of the relatively few clerics serving as directors of major corporation."[65] But Hesburgh was to rise even higher in Rockefeller "scales of merit" when, after Cyrus Vance departed to join Carter's presidential campaign, Hesburgh replaced Vance as the Chairman of the Rockefeller Foundation (New York Times, Jan 15, 1976). Hesburgh also seems to command considerable respect in Carter's estimation, being selected by the President-elect in late 1976 to join his inner circle of advisers on Cabinet appointments and considered as a possible nominee for Carter's Secretary of Health, Welfare & Education (Washington Post, Nov 20: A-02-3; Nov 25, 1976: A-04-4).

Given this close Carter-Hesburgh connection, it is not surprising (and undoubtedly helpful to ODC's potential influence) that Carter chose in May 1977 to make the University of Notre Dame the venue of his first comprehensive policy-speech (Carter, 1977). In that speech, Carter echoed a catchword of "global interdependence" thinking -- that "a peaceful world cannot long exist one-third rich and two-thirds hungry" — and thus rich nations should assist with aid for short-term solutions to underdevelopment, and "expanded and equitable trade" for the long-run. Recently, Hesburgh was selected to be Chairman, with rank of ambassador, of the U.S. delegation of the U.N. Conference on Science & Technology for Development (WHO'S WHO IN NORTH AMERICA, 1978/79).

Another piece of indirect evidence bearing on ODC's status as a foreign policy-planning group are the following statements of praise found at the end of the 1976/77 ODC Annual Report (ODC, 1977):

> I greatly appreciate the excellent work the Overseas Development Council has done in support of our foreign assistance programs and improving relations between the developed and developing worlds. As we confront the enormous challenge of meeting basic human needs on a global scale, this support will become even more critical
>
> - Jimmy Carter
> President of the United States
>
> I share both your profound concern for the world's poorest peoples and your belief that we must strive for greater international cooperation on global economic issues .... Let me again express my high regard for the work of the Council and for your dedicated efforts in the cause of development
>
> - Gerald R. Ford
> Former President of the United States
>
> The annual publication of the Overseas Development Council's assessment of U.S. relations with the developing countries of the world has come to be a major event in the ongoing debate and analysis in this area of U.S. foreign and economic policy ..... I was particularly interested to note that the issues identified as being of the greatest importance were very close to the areas we have been addressing....
>
> - W. Michael Blumenthal
> Secretary of the Treasury
>
> Your Agenda 1977 of the ODC is another masterful job! It is extremely well-written and well-documented. It is an invaluable resource and I salute you

> for it.
>
> - John H. Knowles, M.D.
> President, The Rockefeller foundation

> The ODC has continuously met the increasingly critical need for information on the developing world. The success of global business operations will depend upon a knowledge -- in the future even more so than in the past -- of the problems and the potential of the developing world
>
> - Constant M. van Vlierden
> Executive Vice-President, Bank of America

Though likely ceremonial in function, such effusive praise from key power-elites may not be disregarded. For would non-elite or counter-establishment groups easily or ever obtain similar doses of supportive comments ?

Last but not least, third-party publications have corroborated the above indications of ODC's steady and healthy growth in the foreign policy-planning and formulation network. The two major foreign-policy daily newspapers, New York Times and Washington Post, have as earlier noted, given much space to reports on ODC activities and ideology. But such reports are not all: the New York Times in its editorial of June 7, 1974 entitled "End of Foreign Aid" relied extensively on ODC "development ideology" to substantiate the newspaper's support of foreign aid, and lauded the ODC as "the independent Overseas Development Council, which is doing some of the most sophisticated analyses of world economic relations" (New York Times, June 7, 1974: 34). The Washington Post (March 17, 1974: A-14-1), in a report on a meeting of Presidents of major international "development" institutions (including the World Bank and IMF), significantly reported President Knowles of the Rockefeller Foundation citing ODC's work, and most importantly, among all other organization presidents present, quoted only ODC's James Grant.

Finally, in a recent assessment of the impact of "non-profit organizations" on U.S. foreign-policy, a veteran observer of NGOs concluded that some "ably run new organizations concerned with particular issues -- such as the Overseas Development Council ... have become more respected and influential in their particular fields, through specialization in substance, policy processes, and communications fields, than older agencies with broader interests and memberships." Hero went on to conclude as follows:

> A number of organizations -- such as the Council on Foreign Relations, the Carnegie Endowment for International Peace, the London-based International Institute for Strategic Studies, the World Peace Foundation, the *Overseas Development Council*, and the Arms Control and Disarmament Association -- have developed reputations among foreign-policy officials, as well as the attentive non-governmental minority, for the factual and analytical qualities of their publications and programmes. Their books, monographs, and periodicals are widely read, if not by busy top-level officials, certainly by their advisers and the foreign-policy bureaucracy and interested public citizens. Overall, these groups probably exert more long-run influence on federal executive officials than do all the other organizations, with much larger budgets and numerous memberships, who argue for particular points of view, or attempt to reach larger publics directly (Hero, 1978: 169; italics added).

In sum, the indirect and partially direct evidence accumulated through this study's methodology, leads to a general conclusion about the ODC's influence on foreign-policy formation;namely that the ODC, as a specialized corporate-backed promotional group (with material and elite status sponsorship from key U.S. ruling-class representatives), has established itself firmly and increasingly as one prestigious "star" in the U.S. policy-planning universe. The emphasis on "one" is necessary as a reminder that there exists even more long-standing policy-planning institutions (e.g. Council on Foreign Relations, Brookings Institution). At the same time, though, it is clear that the ODC's role is not subservient but rather complementary. It has the specific utilities of (a) focusing specially on U.S.-UDC relations -- an increasingly important aspect of U.S. foreign-policy formation; and (b) an extensive ideology-propagation programme that allows the U.S. ruling-class to reach not just U.S. underclasses but also client UDC elites. Furthermore, very close links are maintained at the power-structural and ideological levels between the ODC and its "older, bigger brothers" -- thus their continued collaborative and/or complementary policy-planning and influencing activities on "development" policy issues seem assured. And in the final analysis, the stable and continuing support of leading U.S. corporations and "opinion-leader" power-elites like David Rockefeller clearly indicate that the ODC is perceived by the U.S. ruling-class as useful to their needs and interests.

The next Section of this study(III) and the concluding Section (IV) will show exactly how ODC's development-ideology essentially serve U.S. and world capitalist ruling-class interests, and conversely, why it cannot serve the interests of oppressed and under-developed Third World peoples.

SECTION III

THE ODC IDEOLOGY ON
THIRD WORLD UNDERDEVELOPMENT
AND DEVELOPMENT :
A SUMMARY OF THEMES, CONCEPTS
AND EMPIRICAL ANALYSES

INTRODUCTION

In this "content analysis" of the ODC's ideology of development, I will objectively summarize the Council's perspectives on the diverse issues of Third World underdevelopment and development. The analysis begins with the central themes of ODC's development ideology and then proceeds in several following sections to articulate specific facets of those themes. The facets include: aid, trade, employment, technology, food, population, energy, "development education", NIEO, dependency and liberation.

My choice of specific facets is based on the general criterion of key topics in current development discourse, such as aid, technology, trade etc., and on the criterion that these topics are also discussed as specific interest-areas in ODC literature. In this regard, with one exception, virtually all facets of the "development theory" universe which have been published by the ODC is included in my summary analysis. The sole exception concerns issues focusing on "Women in Development", for though the ODC did publish under its auspices proceedings of the AAAS (American Association for the Advancement of Science) Seminar on Women in Development(Tinker & Bramsen,1976), this topic as yet has not occupied much time or attention of ODC experts, namely either ODC staff themselves or invited spokespersons. A contrasting example is the topic of "Employment", where though the ODC also published under its auspices an ILO study on the subject, "research, seminars, and publications on the interrelated subjects of employment, growth and the meeting of basic needs have been an important part of ODC's program since the Council's establishment" (ILO,1977:220).

Table 34 shows the numbers and types of ODC and ODC-related literature that provided "raw material" for the content analysis. (Table 29 gives an inventory by year of ODC literature in various publication series). In all, 20 out of 26 published ODC Development Papers, 26 out of 31 ODC Development Communiques, 7 out of 9 ODC Occasional Papers, and 7 out of 8 ODC Monographs were cited. If any papers, communiques etc. were not actually mentioned, this was because of overlap and repetition of ODC views among the various types of publications rather than failure to analyze them.

A two-step mode of content-analysis is employed. In the primary stage, the original text being analyzed is reduced to the essential arguments and propositions, but with minimal paraphrasing (i.e. verbatim quotes are recorded of the point or argument). Thus a body of 'primary informational packets' (PIPs) are formed. At the secondary analysis stage, the PIPs are first allocated to relevant topical 'bags'(TOBs), centering on the chosen categories (facets) of the ODC's development ideology. Next, as each TOB is being content-analyzed, portions of each PIP in that TOB [illegible] will be simultaneously judged as to their relevance to other topics which are to be or have been exa-

Table 34: ODC and ODC-related Literature Cited in Content Analysis

Type of Publication[a]	Number Cited
ODC Development Papers	20
ODC Development Communiques	26
ODC Occasional Papers	7
Articles in Occasional Papers	7
ODC Monographs	8
ODC Annual Agenda for Action	5
Articles in Agendas for Action	37
ODC Books	
(a) by single authors	8
(b) collections	4
(c) articles in collections	36
Periodical articles by ODC staff	6
Other Publications	4

[a] The label "ODC" refers to literature published by the ODC itself or by other publishers in cooperation with the ODC. Material used in the analysis were published between 1970 and 1977, except for two ODC Development Papers published in early 1978.

mined. In other words, further potentially "new" primary data will be constantly recycled into the initially completed secondary analysis of each topic, and may or may not be relevant to the final reworking. Such a two-step analysis has the advantage of being systematic and comprehensive, and also allows the ODC's development ideology to eventually emerge from the contributions of all its theorists, experts and spokespersons rather than from the researcher's (even if unintended) selective reliance on one or a few writers only.

A final methodological note is in order, namely the question of what "objectivity" means in my content-analysis. To be objective in answering "what is the ODC really saying about Third World underdevelopment and development" is in fact to seek answers to several interrelated queries. These include not only finding out the ODC's dominant themes on any facet of underdevelopment or development, but also noticing any divergences or even contradictions among individual spokespersons. Where divergences exist, do they actually undermine the notion of an integrated, cohesive ODC development ideology? Furthermore, it means to be alert to how the ODC represents what others say (especially those of the critical paradigm) about the issues at hand. In other words, is the ODC itself objective about other views on underdevelopment or development?

Last but not least, though the primary intent of this section is to articulate the "what is" of ODC's development ideology and leave a full-fledged critique to the final section, it has been found necessary at several points to imply criticisms (and occasionally, even express them explicitly) so as to make better contextual sense out of characteristics attributed to ODC ideology. Often, this was achieved by noting ommissions, that is, what the ODC spokesperson does not say about some issue. This provides a sensitive acid-test for paradigmatic affiliation.

Chapter 7

THE PRINCIPLE OF INTERDEPENDENCE AND A "NEW" DEVELOPMENT THEORY

"INTERDEPENDENCE"

In a 1975 interview, Secretary of State Henry Kissinger was credited with the following comments:

> For the first time in history, foreign policy has truly become global....I believe that with all the dislocations we now experience, there also exists an extraordinary opportunity to form for the first time a truly global society carried by the principle of interdependence.

These words, quoted in an essay in an ODC annual Agenda for Action[1], highlight a pivotal concept in ODC's development ideology, namely the principle of interdependence. In generalized or specific form, it is to be found in virtually all of ODC's numerous papers, communiques, books and monographs on Third World development and U.S.-UDC relations.

Cold War Outdated

To begin with, interdependence is seen as dictated by changed conditions in global politics and economics, which demand in turn a new U.S. foreign policy. Hunter[2] puts it thus:

> ...in the order of U.S. foreign policy priorities, the world's poor and their countries remain far down the list...we are now between a relationship with the developing countries based on morality and the Cold War, and one based on cooperation and a greater interdependence among all nations.

The Nixon Administration's development policy is criticized for not heeding the changing world situation in which "traditional security" issues are now overshadowed by "international economic issues."[3] Today, contends ODC Chairman Hesburgh[4], "Cold War problems no longer dominate our attention -- or provide reasons for promoting the development of poor countries." Furthermore, there appears to be a "gradual convergence of the two (East-West) systems", as evidenced by the use of bonuses and profit criteria in the USSR and Eastern European industries while the U.S. government increasingly manages the economy, and by mutual production and merchandizing agreements between communist and capitalist firms. Since Eastern nations are attempting to create "consumer economies...it is in the U.S. interest to help them do so."[5]

"Peace", therefore, is no longer a function of military strength alone. Rather, "tomorrow's threats to peace (as a state of international order) will be contained largely in challenges to the relative distribution of economic, not military power."[6] These challenges will emanate largely from the poor countries who, as statistics in ODC annuals amply testify, are slipping further and further behind the rich minorities of the world. U.S. citizens must recognize the "deep resentment" of their "privileged position of great wealth" by poor peoples elsewhere.[7]

> [8]A world of increasing disparity between the rich and the poor is dangerous...There comes a time when the underprivileged group...will no longer accept its subordinate status. It will lash out to hurt the privileged group --even at the

price of hurting itself more in the short run. It is in this light that one can understand, for instance, ODC's strong support for a new Panama Canal treaty (since ratified by Congress under Carter) which is based less on traditional U.S. military-security interests --as the 1903 treaty was -- and more on long-run political-economic cooperation with Panama.[9] And even the "security" of the Pacific Basin region -- long articulated in politico-military terms -- is now rationalized economically. The "economic dynamism" of export-oriented Eastern UDCs like Taiwan, South Korea, and some Southeast Asian nations is deemed increasingly determinant of political stability and security in the region, including the long-term "prosperity" of Japan.[10]

Increased U.S. Dependency

More specifically, this view that the Third World poses a "threat" should be based, according to the ODC, on the clear recognition of the increasing "dependency" of the United States on the Third World for its "well-being".

Raw materials dependency. First, the U.S. is now "dependent on imports for more than half of its supplies of nine of sixteen critical minerals and metals."[11] By the end of this century, the U.S. will depend on foreign sources for more than 50 per cent of thirteen basic raw materials of which already 100 per cent of chromium and over 80 per per cent of manganese, nickel and aluminium are now imported.[12] Thus,

> [13]as competition for dwindling resources of high-grade mineral deposits intensifies, the U.S. economy will become more vulnerable to external forces beyond its control...The situation forcefully underlines the U.S. interest in a cooperative world order in which resources are freely shared.

With respect to energy-supplying materials, the West is hence advised to admit the energy-producing states more fully into international economic decision-making.[14] Rather than the U.S. trying to achieve energy "independence" with its high domestic costs[15],

> it is time to...consider the possibilities of achieving energy security through a global approach that more clearly recognizes the realities and opportunities of our energy interdependence.

One facet of this global approach would encourage investments by OPEC nationsin the U.S. economy, thus equalizing "potential vulnerability and potential reciprocal benefits of cooperation."[16]

The issue of raw-materials access within an "interdependence" framework also crops up in the specific realm of ocean-use. It is in the U.S. and the West's long-term interests to institutionalize global norms of peaceful ocean exploitation, rather than engage in "grabbing of rights".[17] More, however, will be said later on the ODC's view of energy and ocean-use issues.

U.S. investments. A second aspect of U.S. "interdependancy" with the Third World stems from the increasing involvement of U.S. MNCs in production activities in UDCs.

This "internationalization of production" has taken such forms as industrial complementation agreements (creating multinational or regional markets for products whose production are scattered among different countries), and international sourcing of components as in the use by U.S. firms of HongKong- or Mexican-manufactured parts.[18] However, while lauding the "development" contributions of MNCs, our ODC experts also admit that their "advent has tended to disturb existing cultural and economic practices."

> [19]Without...arrangements to balance and ameliorate conflicting national and corporate objectives, the unique contribution that multinational corporations can make towards advancing world living standards and building a world economy will be jeopardized.

Precisely how MNCs can "contribute" to Third World development will be elaborated later.

World trade. Thirdly, the U.S. economy has become increasingly dependent for its health on the world trading system. A worldwide expansion of trade, for example, requires by necessity that the Third World gets a bigger slice of the world economic pie than has been allowed by the existing international economic order. As ODC Chairman Hesburgh[20] warns, "the international monetary and trade systems may not work well for us unless they also benefit developing countries far more than before." How well such reforms could work out for the U.S. is noted by Hunter[21] as follows:

Helping to meet the needs of the world's less

> developed nations can also pay dividends for the United States -- even beyond the effective functioning of the international systems. American workers and consumers stand to gain from a world in which developing states are growing and prospering more than they are now: less expensive goods will become available; new investment and income opportunities will be provided; and markets will be created for those developed-country goods and services that are in increasing demand by developing countries. Thus greater equity among nations is not only right in itself; if it contributes to development and to the economic interest of both rich and poor nations, it can also be the most practical course for all countries.

Sewell[22] presses the point home with statistics that show that 27 per cent of present U.S. exports go to non-OPEC UDCs, an increase from under $6 billion in 1955 to nearly $28 billion in 1974. Assuming similar UDC growth rates and U.S. share in UDC imports for the 70's as in the 60's, UDCs could be expected to import by 1985 "an additional $27 billion of goods per year" from the U.S. -- worth up to two million additional U.S. jobs.

Ecological problems. A fourth component of the ODC's concept of "interdependence" has to do with ecological considerations. "The widening gap between the rich countries and the poor can no longer be viewed in economic terms alone. It must be viewed in the context of a shared ecosystem and mutual dependence on the earth's life-support systems."[23] The DCs must therefore be increasingly concerned with problems of pollution from land or marine industries, and use of toxic pesticides. "Economic non-proliferation" by UDCs must be encouraged.[24] Furthermore, the "over-population" issue (of which more is said later) is deemed to be closely intermeshed with pollution problems: "in the long run, one of the indispensable keys to protecting this global environment will be population stabilization."[25]

Social interdependence. Finally, Brown[26] refers to the increasing "social interdependence" of nations. One facet mentioned is drug addiction in DCs while sources of drugs lie in UDCs. More importantly, another facet raised is that of rising unemployment in UDCs. This unemployment crisis generates high social discontent[27],

> creating a socially inflammable situation which threatens to disrupt the existing social and political order in many poor countries...The potential international repercussions of such domestic unrest are manifold at a time when rich countries are becoming increasingly dependent on the poor ones for energy fuels, industrial raw materials and cooperation in environmental matters.

The jobless constitute the "most likely source of revolution",[28] and such UDC domestic instability threaten prospects for U.S. trade and foreign investment.[29] The rich countries therefore have vital interests in alleviating unemployment and "pre-empting" domestic unrest in UDCs inimical to DC economic health. How they should go about resolving this problem is discussed later.

Accomodation and Integration

"Interdependence", in effect, provides a rallying concept around the ODC is urging U.S. foreign policy be focussed. In formulating what they deem to be the "long-term" interests of the U.S., ODC theorists also continually utilize the key sub-concepts of "accomodation" and "integration".

> [30]We can recognize the interrelation of (global) problems and try to seek elements of cooperation to reduce conflict and discord; or we can wait for the emergence of 'confrontation politics' on the part of developing countries...Far better...to anticipate potential trouble, if possible, and to recognize the possibilities in accomodation before acrimony sets in.

> [31]This decade will demand the creation of new international institutions and the improvement of existing ones to solve problems that defy the efforts of nations acting singly...it will demand of the United States and other nations a new kind of foreign policy that looks beyond short-sighted national interest and sincerely aims to integrate the long-run interests of the industrial countries with those of the developing countries, whose overriding national purpose is development.

Significantly, similar sentiments came from members of the two most recent Presidential advisory committees on foreign assistance(Perkins and Peterson Committees[32]), which convened in Washington in June 1973 to make new recommendations on "U.S. cooperation with the developing countries."[33]

"Confrontation politics" entail costs for both DCs and UDCs.[34] For the First World, these costs include: higher UDC raw-material prices, reducing MNC-sendback incomes; strengthened DC protective trade barriers, raising DC-consumer prices; declining foreign markets for DC exports as slower growth lowers UDC-purchasing power; increasing difficulties in global economic management. For the Third World, predicted "costs" include: defensive DC-commodity stockpiling, affecting UDC commodity earnings; withdrawal of DCs from U.N. institutions, affecting development aid; hardening of DC attitudes on trade negotiations with UDCs; greater protectionism in DC markets, reducing UDC opportunities to export industrial goods; decline in DC aid-lending. Thus, from the ODC's "interdependence" perspective, unyielding confrontation would mean impeded economic growth and "development" for both DCs and UDCs.

The alternative to "confrontation" is creation of new DC-UDC "compacts". As later analyzed, various changes in trading, monetary, aid and other international economic relationships are proposed which in the ODC's view will serve both the long-term interests of rich nations as well as the "development" needs of UDCs.

It is interesting to note ODC's invoking of "experience" to argue for the validity of "accomodation" and "integration". Whereas, in the immediate post-war period, the U.S. was faced with revolutionary overthrow of established governments, the current "challenge" of UDCs is seen as merely for greater "equity" in the global economic order.[35] Such a challenge is deemed analagous to the struggles of the U.S. working-class in the early part of this century, and their "victory" is "almost universally hailed today as good for the economy, the society, and the nation." Thus

> [36]experience suggests that, in the economic arena, a bid for power and income by one party does not necessarily threatens the well-being of those whose position in the hierarchy is being challenged. In short, it need not be a zero-sum game, but can be very positive for all participants as we have

> learned both from our domestic record and our experience with the Marshall Plan. The test for the dominant nations is to respond to hierarchical challenges with creative proposals that benefit all parties...

Critical commentators would, of course, note here that this so-called working-class "victory" lauded by the ODC was never really a real victory in class-struggle terms, but only tactical gains that the ruling-class conceded in order to maintain real power in its hands. Indeed, this appears to be precisely what the ODC means when it urges that more power be given to the Third World. Writing in the elite journal Foreign Policy, SeniorFellow Hunter[37] was quite unambiguous about the limits to this global reordering: "A necessary...shift of power is required", but he takes care to qualify the "necessary" by "limited". And further on, Hunter[38] concludes:

> ...preserving a basis for sustained power and prosperity...as well as helping to preserve the larger economic peace (even as "first among equals") will require us to pay much greater attention to the economic needs of other countries (emphasis added).

Altruistic Motivations

ODC writings, though stressing "enlightened self-interest" in advocating a "global new deal", also --not unexpectedly--project "altruistic" sentiments. Thus the "sole objective" of aid is to "help development", not "to change a recipient's foreign policy, or to significantly influence elections."[39] ODC Chairman Hesburgh[40] argues that

> regardless of the past, we have a responsibility for helping to create conditions that will henceforth contribute to a better life for all people. Even where there is no guilt, all of us have a responsibility, rooted in justice, to promote the development of the world's poor majority.

Elsewhere, Hesburgh[41] quotes approvingly President Carter's Inauguration Statement to the World, in which he committed his administration to shaping a world order that is "just", "more responsive to human aspirations", "stable and peaceful", and spoke of the "basic rights" of every human being to be "free" not only of "political repression" but also "poverty, hunger and disease." Finally, Brown[42] calls for a new social ethic -- a desire to survive and improve the human condition:

> It is even conceivable that the common crisis confronting all of us could draw mankind together, giving rise to a new humanism...ourfuture well-being depends on how quickly the new ethic emerging can be translated into a new, more humane set of global priorities, new global institutions, and new levels of global cooperation...(emphasis added).

Summary: "Interdependence"

The foregoing sub-sections articulated the pivotal concept underpinning ODC's development ideology, namely the principle of interdependence. Changing global politics and economics are deemed to demand a "new" U.S. foreign policy transcending traditional Cold War motivations. Shaped increasingly by economic power, U.S. security requires in the long-run more sensitivity to Third World aspirations for equitable sharing of world material wealth. This is because of the increasing "dependency" of the U.S.

on the Third World, including (a) greater dependency on U.S. raw-material resources, (b)growth of U.S. investments in UDCs, (c)need for expanded international trade, which requires UDC "development", so as to sustain U.S. domestic growth, (d)ecological interdependence, and (e)increasing prospects for UDC social instability as poverty deepens, which is not conducive to U.S. trade and investment. ODC theorists also continually harp on the notions of "accomodation" and "integration". Instead of confrontation, which will be costly for both DCs and UDCs, the U.S. and other First World nations should seek to accomodate to legitimate UDC demands for a new international economic order. Through more equitable DC-UDC "compacts" in trade, aid, investment, and other international economic regimes, the Third World can be safely integrated into a new global order that will be beneficial to UDCs and still continue to serve U.S. long-run interests.

A "NEW" DEVELOPMENT THEORY

The modernization paradigm of underdevelopment and development, which held sway during the sixties as a result of work by such experts as Rostow, basically emphasized economic growth as the raison d'etre of development. ODC Senior Fellow Hunter[43] summarizes that strategy as follows:

> For many years, almost everyone looked at the development of poor countries solely in terms of economic goals: development meant a rising gross national product, an increase in investment and consumption (the twin pillars of traditional economics), and a rising standard of living...

> The tools of this kind of development...were ...anything that could help get the engines of investment, production, and consumption moving in the individual poor country.

These tools included the inflow of capital goods from developed nations (e.g. machines, factories, refineries) and of technical expertise (e.g. advisers, students abroad), the creation of economic institutions (e.g. banks, firms), and schools to produce a literate/ schooled populace.

Trickle-Down Failure

From a "growth" perspective, the strategy did achieve results, for UDCs' growth rate of 5 per cent in the 60's was the "highest sustained rate" ever achieved by modernizing states in an early technological stage. However, "contrary to earlier expectations, the unprecendented increases in output of the past decade have failed to trickle down significantly to the poorest majority of the people."[44] ODC President Grant[45] noted that

> those people most favored by the development process—including large landowners, civil servants, and skilled industrial workers--have generally been able to prevent any large-scale redistribution in income in favor of the poor majority.

Mexico is cited as one example where rising GNP growth rate alone is no guarantee against worsening poverty.[46] Likewise, despite Brazil's economic "success", the national-income share received by the poorest 40 per cent of Brazilians declined from 10 percent in 1960 to 8 percent in 1970, whereas the richest 5 percent's share grew from 29 to 38 percent of national income. In the Philippines, income distribution has worsened in the last two decades, and in India, real income of the poorest 10 percent declined as GNP rose 50 percent.[47]

In particular, sharp criticism is levelled at the imbalance between urban industrial "development" and rural "development".[48]

> A strategy...which concentrates tax structures, commercial policies, and public expenditures on the development of a modern, capital-intensive industrial sector does nothing of a direct nature to increase the development prospects for the rural poor...Much evidence suggests that agricultural production in developing countries following the "trickle down" strategy has become more extensive and capital-intensive, contributing directly to the falling relative incomes of the rural poverty groups.

This kind of industrial "development" is highly protected regardless of efficiency, consume much scarce capital and foreign exchange, and create relatively few jobs with "labor aristocracy" wages.[49] Simultaneously, agricultural emphasis on commercial crops to earn foreign exchange[50], and general neglect of basic food production[51], foster rural joblessness. This in turn stimulates rural-to-urban migration and aggravates urban unemployment.[52]

Equity-Oriented Emphasis

In the face of such growing malaise with current development approaches which fail to alleviate mass poverty, check population growth, or curb rising unemployment and rural-to-urban migration, economists and experts now realize "that new strategies for economic development must be created which will have as their primary goal a much more equitable balance in the distribution of the benefits of economic growth."[53] "How" GNP increases should be as, if not more important, than its rate of increase.[54] The traditional economics' view that rapid productive growth and equitable distribution are contradictory objectives is rejected as invalid. Rather,[55]

> it is possible to achieve greater equity and growth simultaneously. A direct improvement in the condition of the very poorest groups constitutes an investment in human capital which, along with labor-intensive development policies, can itself contribute to the growth process.

The conventional belief that unequal income distribution promotes savings is questioned, since aggregrate savings of the masses can mean more than if only a small wealthy elite save abroad or indulges in conspicuous consumption in imported and/or capital-intensive luxury goods.[56]

Basic Needs Strategy

In recent years, the ODC has referred to its "equity-oriented" emphasis as the "basic needs strategy" -- a term that is now fashionable within mainstream "development" circles and which was legitimized at the ILO's 1976 World Employment Conference.[57] In specific terms, such a "new" development strategy should contain four major ingredients.[58]

First, in rural development, land reforms benefiting small farmers, increased access of the latter to agricultural, financial and technological inputs, more rural public works projects, and increased rural health-educational facilities are called for. Secondly, for urban development, capital-intensive modern-sector production should be discouraged in favor of smaller, labor-intensive enterprises, while increased social services be afforded to the urban poor. Thirdly, a new strategy of "human resource development" should emphasize health, nutritional, and educational expenditures most relevant to the poor's needs (e.g. preventative medicine and primary education). Fourthly, because the former three ingredients all involve uplifting living standards of the poor, they will have an incentive to opt for smaller families within a framework of expanded population control programs.

And to better measure "progress in meeting human needs", the ODC has invented a new social indicator called the Physical Quality of Life Index(PQLI).[59] Designed to supplement the traditional GNP indicator, which does not inform about actual quality-of-life results, the ODC's PQLI aims to express the extent to which societies meet three minimum relatively non-ethnocentric human requirements[60] : infant mortality, life expectancy, and literacy.[61] The former two requirements sum up, in the ODC's opinion, the effects of nutrition, public health, income, and general environment, while literacy is an indication of the poor's participation in economic progress. The ODC also notes that the PQLI

> does not presume to capture the many other characteristics possibly suggested by the term 'quality of life', such as justice, political freedom, a sense of participation, and happiness.

Interestingly, the PQLI ratings show that some UDCs with low per capita GNPs, can have higher PQLI scores e.g. Cuba, Albania with GNP per capita of $640 and $530, have PQLIs of 86 and 76, whereas Brazil(GNP per capita $920) has a PQLI of only 68 and Iran(GNP per capita $1250) rates only 38. In the cases of India and Sri Lanka, while both have approximately the same per capita GNP, Sri Lanka's PQLI is double that of India. The ODC's implied thrust, however, seems to lie in (a) using the PQLI ratings to demonstrate that varied political systems can produce favorable PQLIs, and (b)stressing particularly the examples of Sri Lanka and Taiwan[62]-- both of which are of course non-revolutionary societies.

First World Role

What then would be the First World's role in this proposed "basic needs strategy"? As earlier discussed[63], modernization scholars like Rostow, Lerner or Hoselitz are effusive over the beneficience of the West in helping poor countries develop. Our ODC theorists, however, are less so unqualified and even a little self-critical. Thus one occasional paper made the following admissions:[64]

> ...the West has superimposed upon many developing countries its own choice of methodology; the profit system; the notion that levels of national savings and investment depend largely on the rich; the preference for capital-intensive investment and for investment in import-saving industry and raw-material exports; and belief in the efficiency of large-scale enterprise......Since the developing countries are long on labor, short on jobs and short on capital, this was the wrong development emphasis. In part, this was simply a thoughtless process, but in part

> it reflected the desire of aid donors to increase their exports of capital equipment to the poor countries. Many aid programs continue to tie procurement to the donor exports and in some cases...aid is blatantly used as an export-promotion scheme. In such cases, the intent of aid together with the investment policies of rich-country private corporations is to mold the recipient's economy so that it complements that of the donor country.

Such strong self-critical analysis, however, is exceptional among ODC writings. More commonly, the self-criticism is very much milder, emphasizing the earlier mentioned international inequalities. As it evolved over time, the existing world system was designed primarily by rich nations to meet their needs while neglecting UDC needs.[65] As a result, "the system operates to enhance the power and wealth of the rich and to disadvantage the poor."[66]

Such self-criticism notwithstanding, the ODC harbors no doubts about the First World's necessary and helpful role in implementing a basic-needs strategy. Thus rejected are the "triage" and "lifeboat ethics" perspectives of extreme First World conservatives[67], who argue that given absolute resource scarcities, the rich should decide which nations are to be "saved" and which to "die". Rather, our ODC experts maintain that global resources are sufficient and besides, "quarantine" of "disintegrating" nations is not feasible.[68] Hence "international cooperation" is the only solution, not neglect or abandonment. As Grant[69] puts it, "the initiative for change and development rests with the poor countries. Yet in many cases outsiders can play major and useful roles." As later elaborated, these roles cover the spectrum of aid, trade, and foreign investment.

Conceptual Shift

In short, the First World's role is at heart still seen as beneficient to Third World "development"; only certain changes in the nature of that role are called for by the ODC's "new development theory". But in so far as these changes are not recognized as necessary by traditional modernization theory, the ODC's proposed strategy can be said to represent a "conceptual shift", albeit a shift that has only progressed to but not outside the boundaries of the modernization paradigm. It is in this light that the ODC's responsive attitude to current UDC demands for a New International Economic Order(NIEO) can be understood.[70]

A further significant contrast between the old mode of analysis and ODC's framework lies in the realm of cause-identification. In the old framework, the lack of certain cultural or social-psychological attributes were commonly seen as primary obstacles to development. These kinds of reasons for poverty, however, are rarely mentioned in the ODC's model. Rather, it is social-structural relations that serve as "explanatory" tools (albeit not in the full-fledged critical political-economy sense). For example, UDC small farmers are inefficient not because of "cultural attitudes towards work" but because of agricultural organization not affording the needed support systems.[71] And vis-a-vis population control, as discussed later, the willingness of poor masses to accept smaller families is no longer deemed a function of "traditionalism" or "cultural backwardness". Rather, economic-structural circumstances are now accorded weight.[72]

Empirical Validity

How does the ODC empirically validate its "new" development theory? On this question, ODC theorists consistently point to the precedent and examples of some half-dozen UDCs who have apparently launched socio-economic policies favoring chiefly their poorest citizens. These policies include labor-intensive industries, cheap mass health-care and housing, land redistribution, and effective family planning services.[73] As a result, birth-rates have dropped, relative income-distribution improved, the poorest's living standards raised, unemployment lowered, and economic growth maintained. The most praised UDCs turn out to be South Korea, Taiwan, HongKong and Singapore.

> [74]These four East Asian countries have successfully combined the right national policies with substantial foreign investment access to rich country markets, and (in the case of Taiwan and South Korea) significant foreign aid.

> [75]In some countries (e.g.South Korea and Taiwan) this theory of economic development worked remarkably well — and even worked miracles.

Elsewhere, Howe[76] again cites the examples of Taiwan and South Korea to show that borrowing of Western technology and attracting Western private capital are not inimical to "cooperative agriculture", "radically reduced inequity in income distribution", "labor-intensive export investments", or goals of "distributive justice, full employment, and population stabilization." Simultaneously, "spectacular and sustained growth was achieved." And in a Washington Post article, Hunter profusely praises Taiwan's unrivalled "success".[77]

Capitalism versus Socialism

It might be said that citing the Taiwanese and South Korean "successes" is standard fare anyway among modernization theorists. Without denying this point, what is interesting is the ODC's concession made to a developing socialist nation(China) for having achieved some success with policies that seems compatible with the aims of ODC's new development strategy. China, it "appears...has achieved remarkably equitable distribution of income and of social services while continuing to grow."[78]

> [79]China's experience in attacking the problems of its poor majority is particularly noteworthy and will add to the fund of knowledge useful to developing countries in designing their own development programs.

Nevertheless, care is still taken to emphasize the superiority of the capitalist over the socialist way. ODC President Grant,[80] for example, disagrees that China's inward model is the "best" development path. He credits the East Asian export economies as being "more successful" than China, even though he himself says that UDCs "need to and can draw on experience from both sides of the ideological barrier" when changing their societal structure during development.

Another paper --the same one noted earlier for un-usually frank self-criticism also showed a slight movement away from the anti-socialist creed of traditional modernization theory:[81]

> Studies of the Chinese, Cuban and North Korean models of development are needed in order to learn the extent to which they are applicable to the development policies of individual developing countries. Similarly, additional studies are needed of the development experience in such countries as Brazil, Taiwan, South Korea, and the city-states of HongKong and Singapore...Thus the international economic order would encourage individual developing countries to draw on the more successful elements from several models--instead of dictating one model or another according to current power relationships.

Rarely, however, in the voluminous mass of ODC literature is this liberal-pluralistic stance truly practised. With one partial exception, viz ODC's resident radical Goulet on Guinea-Bissau[82], nowhere are socialist models fairly studied. Indeed, from my later analysis of ODC's stance towards private foreign investment and to "violence", it becomes easy to understand why the socialist path would never be seriously considered. Instead, we find perfunctory statements expressing skepticism about Cuba because of "unemployment" and "stagnation in output".[83] Besides, in advocating "eclecticism", our ODC experts seem oblivious to the basic contradictions between capitalist and socialist planning modes.

Coopting Elites

With regard to the feasibility of its basic-needs or growth-with-justice strategy, the ODC does recognize the existence of power-structural constraints. Grant[84] concedes that

> in many countries, adopting the (new) policies ...requires major changes in the way in which power is exercized. Such changes will not be easy. Established interests (e.g. landlords) in any country naturally resist reforms aimed at removing much of their power.

A major "attack on poverty" program will meet the political constraints of a political system dominated by "rich farmers, big-business, petit-bourgeoisie, and unionized labor."[85] How then do our ODC experts propose to overcome these constraints?

The way out, apparently, is friendly "persuasion" of politically powerful groups benefiting from the status quo. As Shaw[86] puts it,

> if the (UDC) government makes a skilful case for the beneficial effect on economic growth and the political health in the society as a result of such changes, then these groups may be more easily persuaded of their long-term benefits.

Besides, Howe & Sewell[87] contend, "governments and elites (anywhere in the world) are not monolithic, but sprinkled with occasional reformers -- many of whom are willing to make some sacrifice of their own material benefits in the interest of justice. For that reason, persuasion and education play an important role." As illustration, they cite World Bank President McNamara's call for policies favoring the poorest segments of UDC societies, which has "at least helped make it permissible--even popular--for reformers in certain countries ruled by repressive regimes to urge government-sponsored actions designed to benefit the poorest part of the population." Likewise, the ILO[88] in its Report on the

1976 World Employment Conference (which the ODC highly praised and distributed as an ODC publication), maintained that

> action will be necessary to make the problems of poverty better known to the more prosperous sections of the (UDC) society, to sensitize public opinion to them, and to mobilize support for policy measures for the alleviation of poverty.

And commenting on the Latin American context, Bradford[89] is pleased with the social pressures for reform arising from a "new consciousness" among hitherto excluded groups, including youths, clerics, intellectuals, technocrats, and leftist military elements. He cites as positive examples the Velasco populist-nationalist military takeover in Peru, and Allende's election in Chile. (He did not ,however, forsee both their downfall at the hands of rightist coups). But Bradford[90] is particularly optimistic about the

> rising influence of young technocrats in the policy-making process (who)...tend to identify with the popular majority and those seeking a direct redress of social deprivation...Their profession is the sophisticated business of relating economic policy instruments to economic and social objectives. Rather than adhering strictly to growth maximizing criteria, they apply social and national yardsticks to economic policy with judicious selectivity...increasing technical understanding...(and)pragmatism...

"Persuasion" of elites, however, requires more than just verbal exhortations. Thus more resources should be sent to UDC governments, since

> [91]higher rates of growth make it easier for a determined government to carry out necessary reforms without major violence or extreme authoritarianism, and for these reforms to succeed when introduced. And the achievement of higher rates of growth requires more machinery, raw materials,

> and technical know-how--all of which in turn require foreign exchange. Thus it is no accident that most of the development "successes" cited (other than that of China) took place in countries that had broad access to foreign aid, trade and investment.

In other words, any major UDC movement towards the "comprehensive development strategy ...may depend very significantly upon the degree to which the world's developed countries share the costs, thereby easing the political constraints on such an approach".[92]

Furthermore, ODC theorists believe that an endogeneous stimulus to UDC elites to effect change will be their "sense of crisis"[93], of "concern" about holding onto power and hierarchical positions.[94] As Hansen asked:[95]

> If elites are in firm control and unconerned about potential socio-political disruptions from the bottom deciles of their society, then the "basic human needs" option faces a Southern elite problem. But what if the elite...is feeling less and less certain of its position, and sees that a restructuring of some significant government-spending programs and fiscal incentives might provide access to fairly substantial international funding--and not incidentally, an extended lease on its privileged position?

Finally, in the ILO's World Employment Report,[96] there is noted that fact of lack of strong political organization among UDC masses which can exert pressures for basic-needs reforms. Hence implementing a basic-needs strategy also requires commitment from UDC governments to strengthening and facilitating participation of trade unions, peasant organizations and other cooperative movements in an "effective, decentralized and democratic administrative structure." In other words, governments which have hitherto denied access to mass participation are now expected to be willing to institute democratization measures on the masses' behalf and against the entrenched power and privileges of elite groups.

History of Underdevelopment

In modernization-paradigmatic style, the ODC's "new" development theory is virtually silent on the historical First World-Third World relationships that lie at the roots of underdevelopment. Hunter[97] "explains" the present unequal chances for "self-development" as follows:

> In some cases, this is a matter of available natural resources; in others, historical circumstances--which, for example, brought European peoples to the industrial revolution before the Chinese.

Ward[98] was more elaborate but hardly more illuminating, citing two major historical conditions of First World development inapplicable to today's UDCs. First, agricultural expansion in regional, decentralized form in tandem with regional urbanization was a major critical factor in generalizing the modernization of all sectors. UDCs thus should not have expected to jump immediately into industrialization.

Secondly, the rich countries then had little population pressure on resources. "The vastness of the resources open to the Western peoples cushioned the strains. Colonial control and settlement carried it all around the planet." UDCs no longer have this luxury. While Ward's first point does support the case against the conventional "growth only" approach, it and the second point both still fail to shed understanding on the political-economic relationships that comprise the underdeveloping/underdevelopment and developing/development of the Third and First Worlds respectively.

Political Development

In explicit terms, the ODC's "new" development theory is rather short on the concept of "political development". For example, in a communique entitled What is Development?, Hunter[99] projects apparent flexibility:

> Who is to choose which course to follow--proceeding rapidly to political democracy as we know it, or hoping (without much evidence) that that kind of democracy can come later? ......There are no clear and universal answers. Yet in general it does seem important that the choices be made within individual developing countries themselves. Still, outsiders cannot impose attitudes, nor transplant institutions into cultures that may not be able to use or even understand them.

Such a definition leaves unanswered, of course, how the "attitudes" and "institutions" of UDC political status-quos originated (in isolation?), and what external buttresses exist. Another ODC writer, in what is perhaps the most outspoken statement in ODC literature against U.S. Cold-War ideology, argues that U.S. intervention in UDCs has seemed more correlated with the rise of "authoritarian/dictatorial government" than with "emergent democracy". But he concedes that obviously his views have not been shared by recent U.S. Presidents and their advisors (e.g. U.S. role in Allende's overthrow)[100].

Such sentiments on "political development" sound quite a long way from the anti-socialist dogmatism of political theorists in the conventional modernization mould (e.g. Pye, Almond and other Princeton SSRC group experts). Nevertheless, as analyzed later, there is throughout ODC writings an implicit or explicit preference for or against certain kinds of politics.

New Life-Styles

Lastly, a somewhat isolated aspect of ODC's "new" development theory calls for new life-styles on the part of rich nations. Most vocal here has been ODC's agricultural expert Lester Brown[101], who feels that rich nations should scale down super-affluent consumption of the world's resources. In this regard, large automobiles "may be a greater threat to future global security than many commonly recognized dangers."[102] This strand of thought remains, however, generally underemphasized in ODC literature, and besides shows no grounding in political-economic theory.

A "New" Development Theory:Summary

In the several preceding paragraphs, the ODC's formulation of a "new" development theory was described at the general conceptual level. Conceding the failure of traditional "trickle-down" or growth-first theory and policies to serve the majority of UDC citizens, the ODC advocates an equity-oriented strategy which will meet basic-needs of the poor masses. In such a "redistribution-with-growth" approach, rural development will be based on land reforms and other programs aimed at promoting the lot of small farmers. Urban development will shift from its prevailing emphasis on capital-intensive large-scale industry to smaller, labor-intensive enterprises. "Human resource development" via increased access to health and educational services will also help to uplift mass living standards and thereby facilitate population control programs.

While admitting that traditional First World roles in UDC "development" have aggravated "development" problems and profitably served rich-nation interests, the ODC still regards DC participation as necessary and helpful for implementing a basic-needs strategy. However, the ODC's emphasis on reforms in DC-UDC relationships represents a conceptual shift from traditional formulations of modernization theory. Furthermore, ODC development theory is "new" in the sense that internal cultural or socio-psychological deficiencies are not deemed as causative of underdevelopment.

The ODC draws empirical support for its "new" development theory from the "success" of some half-dozen UDCs which are said to be meeting basic-needs of their poorest citizens. But the most praised examples are East Asian capitalist UDCs (e.g.Taiwan, South Korea). In contrast, the Chinese and other socialist-Third World experiments are not accorded similar enthusiasm, even though their ability to serve mass basic-needs is conceded.

Implementing a basic-needs strategy is recognized, however, to require overcoming of power-structural constraints, viz the entrenched vested interests, privileges, and power of UDC elites. The ODC believes that such elites can be persuaded to show more concern for mass needs, provided DCs help share the "costs" of redistribution via increased resources for "development" programs.

Finally, it was seen that the ODC says nothing that can adequately explain the historical DC-UDC relationships lying at the roots of Third World underdevelopment. Also, in conceptualizing "political development". the ODC seems to avoid the virulent anti-socialist dogma of many traditional modernization experts. But as later chapters will reveal, the ODC still has undisputed preference for or against certain kinds of politics.

Chapter 8

FOREIGN AID -- INTERNATIONAL TRADE -- ENERGY AND OCEAN RESOURCES

FOREIGN AID

In their earliest statement on foreign aid, the ODC stressed the need to supercede traditional Cold War motivations.[103] Required instead is the notion of aid as an "insurance policy", a rationale based on U.S. long-run self-interests in reducing prospects for "violence and chaos" due to a failure of economic, political and social development in UDCs.[104] Aid can even be seen as a "moral alternative" to fighting future Vietnam-type wars.[105] Later statements also harp on the "interdependence" basis of aid-giving (e.g. U.S. raw material needs).[106] And while the economic benefits to the U.S. via UDC loan repayments and demands for U.S. goods are mentioned, much stress is laid on avoiding using aid primarily for short-term U.S. political, commercial or security interests.[107] Aid's primary goal should be "development itself."[108]

Aid Non-Imperialistic

Much effort is also taken to refute the charge that U.S. aid is "imperialistic". Involvement and intervention by U.S. interests including business, government and Western cultural definitions are described as largely unavoidable dilemmas that UDCs must face in accepting outside assistance for economic growth and development progress. Thus

> [109]if these countries do seek our help, we cannot let our fears of being "imperialistic" obscure the moral consequences of not helping with the development process, however inadequate, compromising, or even corrupting that effort could prove to be.

Criticisms of U.S. aid being "imperialistic" are, in the ODC's view, directed only to U.S. "methods", not "intentions." Consequently, there is a need for the U.S. to seperate its valid "sense of moral concern with the developing world from a legacy of established practices that may, at least, in part vitiate that concern."[110] Alternative methods (e.g. multilateral institutions) are possible in this version of self-enlightened plus morally concerned re-orientation of U.S. aid.

Such ODC defense and interpretation of U.S. aid is underscored by the exchange between ODC Senior Fellow Hunter and liberal U.S. Senator Frank Church.[111] Church, in censuring U.S. aid policies, began by criticizing Rostowian and Cold War philosophies which not only failed to narrow the rich-poor gap, but have kept repressive and military dictatorships in power. The equation of "stability" and "anti-Communism" with a "free" nation -- no matter how repressive -- has meant that aid goes towards bolstering anti-development regimes.[112] Lastly, Church exposes the aid-private business connection:[113]

> The present (aid) program is designed primarily to serve private business interests at the expense of the American people. In far too many countries ---we poured in our aid money for one overriding purpose--the stabilization of the economy in order to furnish American capital with a favorable climate for investment.

In rebutting Church's critique, Hunter did concur with the Senator's criticisms of military aid,[114] and even conceded that aid has served policies of "arrogance, omnipotence and even exploitation." However, he rejects the charge that U.S. bilateral aid is primarily export-creation and profit-generation, financed by U.S. people for the benefit of private industry. Rather, aid has helped achieved high growth rates, trained people, provided production capital, and assisted agricultural development. Besides, other than exceptions like Vietnam, U.S. economic aid "does'nt prop up regimes, and withdrawing it won't make them fall."[115] The "most common" aid projects (e.g. agricultural research, vocational training) are said to have little or no effect on repressive power, and may in the long-run help counter "inequitable ruling groups."[115] For example,

> the typical emphasis on foreign aid programs on education for the lower economic classes, and policy ideas such as progressive income taxes, competitive bidding for public contracts, and the auditing of public expenditures probably erodes the ability of regimes and elites to retain special privileges for themselves.

It is also argued that aid withdrawal from repressive regimes can cause "development" activities to cease, as the insecure regimes divert resources to even more repression.

Finally, Hunter sees nothing wrong in legitimate U.S. self-interests in aid policies, such as export and investment promotion schemes, since these also help poor countries "develop". After all, "there is nothing inherent to prevent U.S. private investment from earning reasonable profits under equitable arrangements with developing countries."[117] Examples include local control and participation, and progressive divestment of outside ownership. In sum, the ODC rejects "non-U.S. intervention" in UDCs. The world being inevitably "interventionist or interdependent", it only remains to avoid any "negative sides" of aid relationships.[118]

Aid for Basic Needs

In line with its rejection of the "growth first" or "trickle-down" approach to development, the ODC favors redirection of U.S. aid towards such social objectives as employment, income distribution, rural/urban balance and population control.[119] As an ODC Communique reported, a similar tack was taken by members of two past Presidential Commissions on Foreign Aid (Perkins and Peterson Commissions) who informally reconvened in 1973.[120] Capital transfers for large-scale industry and infrastructure should be reduced in priority in favor of "rural development", food production, population and health problems, and human resource development. One example in criticism of the old aid strategy is IDA's $27.5 million loan to buy 8000 tractors for Punjab farmers, which could create permanent labor displacements. Rather, donor agencies should finance increased local project costs, yielding more job opportunities[121] -- a reorientation entailing greater untying of aid.[122]

Another facet of a "basic needs" strategy to aid is increased attention to the so-called "Fourth World", some

42 of the poorest UDCs affected most by higher oil prices and food import costs.[123] More concessional loans are urged. However, even for aid to the poorest UDCs, the logic of long-term U.S. self-interest remains in the foreground. Thus, the $1 billion U.S. Export Development Credit Fund (which came before Congress in 1973) was endorsed by the Perkins and Peterson aid commissions as a mutually beneficial link between U.S. productive capacity and Fourth World needs for industrial goods.[124] After Congress approved the proposal, Paolillo[125] commented as follows:

> The U.S. Export Development Credit Fund was proposed as a means of removing the financing obstacle to increasing U.S. exports to the poorest countries while at the same time furthering their development. To the extent that these countries, through familiarity with U.S. products, are moved to continue to buy them, and through development, can eventually afford them without concessional credit terms, the United States can earn additional foreign exchange to purchase the increasingly costly resources it needs from abroad.

Lastly, with regard to the equity emphasis of a basic-needs aid strategy, the ODC is as earlier noted, aware of structural obstacles, notably the reluctance of wealthy elites to enact greater equitable distribution[125] and even the U.S. role in moving against or not supporting "equity-oriented" UDCs (e.g. Allende's Chile, pre-1976 coup Thailand)[127]. Nevertheless, little substantive effort is made to truly confront the issue. Sewell[128], for example, merely calls for more U.S. support of "equity-oriented" UDCs (e.g. Sri Lanka, Tanzania), while Paolillo[129] could only vaguely propose that

> the careful and continual adaptation of...a general strategy of development to individual country circumstances will require research, analysis, experimentation, communication of successes and failures...economic sophistication political skill, judgement, sensitivity,patience, ...a lot of time...and...money.

The last needed item is apparently to help reduce the economic, social and political "dangers" involved in restructuring economies towards greater participation by the poor.

Third World Debt

Another major concern in ODC's aid perspective is the problem of Third World aid debt, imposing increasingly heavy burdens. For example, in 1973, nine bilateral aid programs plus the World Bank's hard-loan window collected more from India in debt service than new loans and grants extended. UDC debt repayments grew 9 per cent annually in the 60's. At end of 1975, non-OPEC UDCs had a public debt of $139 billion and a debt service of $11.3 billion or 12 per cent of total export earnings.[130]

To ease such serious debt burdens, Howe[131] recommends that the First World facilitate renegotiation of aid debts and the expansion of soft-term loans. Though one ODC consultant did warn that excessive debt rescheduling may undermine the legal-institutional framework of international lending, and (somewhat contrary to ODC strategy) blamed over-use of export credits as causative of debt-service crises, ultimately he also concedes that for some UDCs with heavy debt-service payments on long-term development loans, "extensive and liberal debt relief is the only policy alternative."[132]

Most recently, the ODC invited the Second Vice-President of Continental Illinois National Bank & Trust Co. of Chicago, Paul Watson[133], to update and expand on issues of Third World debt. The typical recommendations on more U.S. and other DCs' bilateral aid, more DC support of the World Bank, IMF etc. aid facilities[134], and more concessional loans to poorest UDCs are reiterated in Watson's analysis.[135] Interestingly, though, there is now less alarm about the debt crisis going out of control, even if debt statistics remain high. For example, after 1975, UDC current account deficit decreased by 30 percent, indicating progress towards "adjustments". These include: decreasing economic growth and imports; allocating resources to foreign-exchange generating activities; more IMF, World Bank and OPEC aid; restricted OPEC oil-hikes.[136] Besides, UDCS[137]

> will continue to go to great lengths to keep their credit ratings by meeting contractual private debt-service payments fully and on schedule...(and since) total (UDC) productivity and foreign exchange earnings have grown at roughly the same rates as debt and debt service...the prospect for a serious round of defaults...in the near term appears small.

Such news would doubtless be reassuring to DC private banks, which have spectacularly increased loans to UDCs from $400 million in 1970 to $4.1 billion in 1973.[138] In total official debt terms, this commercial bank component increased from 12 percent in 1967 to 30 percent in 1977. Not unexpectedly, U.S. banks predominate, providing some two-thirds of gross commercial lending to UDCs[139]--a significant power-structural fact earlier noted--and reaping hefty profits.[140]

But the more significant point to note on this increased private-banking role in Third World debt is the concomitant growing alliance between international "development" institutions like the IMF and the private-banking world. As Watson[141] puts it, the IMF and its colleague banks

> may come to play a key role in enhancing private flows of capital through cooperative financing arrangements with commerical banks; their presence as financiers in a particular project may help to assuage the fears of other lenders. It may also help to elicit greater investor confidence, for example, in the extractive industries sector, where investment has been slackening.

Private lenders apparently favor cooperation with the IMF because the Fund's requirement "that a borrowing country exercise additional fiscal and monetary restraint...is thought to assure more productive allocation of resources and thereby to give greater confidence that maturities will be met on schedule."[142] Thus, whereas originally the IMF largely fostered a favorable investment climate in UDCs, it may be increasingly directly collaborating in lucrative profit-making by First World and especially U.S. finance capitalists—a development which appears to fit comfortably enough into ODC's aid strategy.

Multilateral Aid

Following the lead of the Perkins and Peterson presidential aid commissions[143], the ODC advocates greater U.S. commitment to aid via multilateral channels, especially international "development" banks like IBRD, IDA, IDB, and

and the ADB. Close cooperation between such multilateral agencies and First World national export credit agencies is urged, so that credit programs can be moderated by the "sound management" of "development" financiers like the World Bank. The multilateral institutions are deemed to respond directly to UDC poverty problems, transcending "immediate U.S. political interests." Congress therefore should not expect multilateral agencies to act on the behest of U.S. foreign-policy interests.[144] And the Nixon Administration is criticized for using U.S. influence in the World Bank and Inter-American Development Bank to block loans on short-term political grounds (e.g.Guyana, Bolivia,Chile).[145]

One specific ODC proposal vis-a-vis multilateral aid is a greater utilization of the OPEC nations' petro-dollars in multilateral financing.[146] Another strongly favored idea is the linking of the IMF's Special Drawing Rights(SDRs) with "development" assistance. In July 1969, the IMF had created $9.5 billion of new foreign exchange (SDRs) to serve as new international reserve assets that central banks can use to settle debts with each other. Given free of charge, the distribution of SDRs followed traditional IMF quotas: 25 DCs received 73 percent of SDRs, while the remaining 87 participant UDCs received only 27 per cent of SDRs. A direct SDR-aid link would increase untied multilateral aid which simultaneously minimizes balance-of-payments costs for aid-donors.[147] The ODC also urges reform of the SDR creation/distribution system so that more of the benefits of these new assets go to UDCs.[148]

However, as in the case of bilateral aid, the ODC is not remiss in noting the "enlightened self-interest" rationale for multilateral aid. As McKitterick & Middleton observed[149]

> the American taxpayer has invested $63.5 million in paid-in capital to the (World) Bank and $1.1 billion in donations. Together the nearly $1.8 billion in investments and donations, as of the end of 1970, have been balanced by more than $3.5 billion in orders for U.S. goods and services. When the net income is added to U.S. banks and other resident institutions that hold some 37 percent of the World Bank's outstanding debt, U.S. equity-type investments and donations have been repaid two times over at least.

Likewise, the SDR-aid link is seen as stimulative of U.S. production and exports, and thereby beneficial to the U.S. balance-of-payments deficit, since it helps expand aggregate world demand.[150] As Howe[151] argues,

> ...the poor countries could run even greater trade deficits(and the rich countries get rid of even more surplus exports) if more financing were available. Clearly SDRs could be part of the answer, in that they could provide some of the necessary financing.

Private Voluntary Aid

Finally, the ODC voices considerable enthusiastic support for the role of private and voluntary organizations (PVOs) in foreign aid to the Third World.[152] As ODC President Grant stated

> the private nonprofit organizations of the United States have had a distinguished record of contributing to human progress overseas for more than a century. Many of the educational institutions, medical faculties, and agricultural

> innovations introduced into the countries of Asia, Africa and Latin America from the West were the result of their activities.

With their small size, flexibility of action, and willingness to work in remote areas with minimal renumeration[153], PVOs are deemed most relevant to "self-reliant" grass-roots development envisaged by the "new" basic-needs strategy. Examples of such PVO aid include self-help "community development" projects (e.g. personnel to train health-extension agents; new agricultural technology-transfer like Green Revolution methods; creating linkages between villagers and UDC government authorities); training by universities and foundations of high-level UDC administrators and "development" policy-makers (e.g.Ford Foundation-sponsored U.S.-trained Indonesian economists who undertook "economic recovery" after Sukarno's ouster[154]); small-scale enterprise projects by groups like Technoserve, Meals for Millions or Partners for Productivity, and development of cooperative institutions for housing, rural electrification and credit unions.

Not surprisingly, the ODC rejects any notion that U.S. PVO aid serves "neo-colonialism".[155]

> American foundations and voluntary organizations --frequently controlled by the same elites who control the government and the large corporations--are seen as agencies designed to create favorable internal climates for this continued American exploitative presence...it is easy to discount out-of hand this rationale--after all, voluntary organizations exist for philanthropic purposes.

While in a few cases it is admitted that U.S. PVOs have served as explicit instruments of U.S. government policy abroad[156], ODC criticisms of PVO aid focus predominantly on administrative-type issues (e.g. lack of staff professionalism; volunteer paternalism; ad hoc planning). In general, though, PVO aid efforts are said to have elicited a "noteworthy...disproportionately large amount of appreciation" in the Third World.

And last but not least, the ODC again concedes the problem of inequitable political-economic power distribution in UDCs which severely disadvantages against the poor majority.[157] Thus, "unless structural changes occur and offers the poor equal access to resources--the effect of U.S. voluntary organizations is limited to one of mere palliatives."[158] In this regard, the ODC perceives one potential PVO contribution to "structural change" as the rather radical-sounding process of "conscientization" or "consciousness-raising". But as I later discuss in the chapter on ODC's view of "dependency", the ODC's version of "conscientization" bears little resemblance to the original conception formulated by Freire.

Foreign Aid: Summary

In the ODC's interdependence strategy, foreign aid is deemed as "insurance policy" for U.S. long-term interests in UDCs. Aid can help preempt social violence and chaos arising from lack of UDC development. While conceding that certain types of U.S. aid have at times primarily served U.S. short-term political and economic interests, the ODC argues that aid is basically not imperialistic. Much aid has fostered UDC growth and "development" progress, and in the long-run will even undermine the power of UDC elites. At the same time, it is reasonable for the U.S. to pursue legitimate U.S. self-interests in aid-giving (e.g. export and investment promotion), since such schemes also help UDCs "develop".

Concomitant with its rejection of "trickle-down" approaches to "development" and its advocacy of a "basic-needs" strategy, the ODC calls for redirection of U.S. aid towards equity-oriented "development" programs. Thus more aid should now go to rural modernization focussed on small, poor farmers, to population and health problems, to "human resource development", to job-creation, and in particular to the poorest UDCs hardest hit by rising energy and food costs. Debt rescheduling is urged to assist UDCs with serious debt burdens, while the increasing role of private banks in aid-funding and their emergent collaboration with international "development" banks is lauded.

Another key plank in ODC's aid platform is the increased emphasis in multilateral channels, especially the various international banks like IBRD, IDA, IDB and ADB. The OPEC petrodollar wealth is seen as a potential source of multilateral aid funds. Also, the ODC supports the linking of IMF Special Drawing Rights with UDC "development" assistance. Finally, the ODC is highly enthusiastic about the role of private voluntary organizations in foreign aid, given their focus on "self-reliant" basic-needs projects.

In sum, the ODC sees foreign aid to be a continuing and constructive necessity in promoting UDC "development". A few past negativities about U.S. aid are admitted, but these are deemed as reformable errors in methods and not as the manifestations of U.S. imperialism.

INTERNATIONAL TRADE

Within the ODC's framework of interdependence, trade is considered to be a most significant factor. On the one hand, it provides the lion's share of the total flow of external resources available to the UDCs, which now earn over 80 percent of their foreign exchange from export earnings. Hence the more exports, the faster they can proceed with "economic rationalization and growth".[159] On the other hand, continued economic growth of DCs is dependent upon continued trade with UDCs.[160]

> In 1975, for example, nearly 75 percent of the imports of all developing countries came from developed countries. This amounted to $38.3 million, with manufactured products accounting for 82 percent ...(The U.S. itself) is a major exporter of foodstuffs, manufactures and services to the developing world, selling 27 percent of its total exports to the non-OPEC developing countries and obtaining 25 percent of its total imports from them.

Furthermore, as earlier noted, DCs are increasingly concerned about reliable access to supplies and the need for continuing investment in raw-materials extraction and processing in UDCs.[161]

Unequal Trade

The present world trading system, however, as the

ODC readily admits, is quite unequal--subject to DC dominance and responsive to DC needs primarily. UDCs increasingly suffer deteriorating terms of trade as their imported DC manufactures become costlier while their primary commodity exports[162] fall in prices, or are subject to fluctuating market demands and to synthetics competition. Furthermore, DC protectionist policies only encourage entry of raw, unprocessed UDC materials, so that job gains, value added, and foreign exchange earnings of processing operations are reaped by DCs.[163] Even in some agricultural commodities (e.g. beet sugar, rice), DC excessive subsidies and low export-pricing have unequally competed against UDC exports.[164] And various nontariff barriers and quota mechanisms set limits on export of UDC manufactures[165] to DC markets.

Trade Liberalization

All these characteristics of the prevailing world trading system are not, in the ODC's view, conducive to the long-term self-interest of the U.S. As Chairman Hesburgh[165] remarked

> rich and poor countries alike stand to benefit from the more open international economy that could result from the (trade) negotiations ahead. The United States would gain from access to larger markets for its capital-intensive goods and from assured access to the raw materials it increasingly needs. The developing countries would benefit from from markets in the rich countries for their primary products and labor-intensive manufactures and from access to the capital and relevant technology necessary for their own development.

Thus DC tendencies towards protectionism should be curbed to avoid domestic production inefficiencies. Trade liberalization helps lower U.S. consumer costs by removing subsidies to existing non-competitive U.S. industries.[167] Also, if UDCs earn more from selling more to the U.S., they in turn will buy more U.S. goods, easing U.S. balance-of-payments problems, inflation, and unemployment[168]. Furthermore, studies by the Brookings Institute, UNCTAD and ILO show that reduction of DC non-tariff and tariff barriers would displace relatively few DC jobs.[169]

Primary Commodities

The ODC therefore calls on the U.S. to participate in negotiations on a buffer-stocks common fund, on individual commodity agreements, and on improved compensatory financing schemes for shortfalls in UDC export-earnings[170], so as to ensure "adequate, continuous, and reasonably priced access to foreign supplies" of primary commodities.[171] The U.S. should also avoid over-reaction against commodity cartels' formation, since these are designed more for collective bargaining than confrontation purposes and mutually dependent interests can be satisfied.[172]

Manufactures

With regard to manufactures, the ODC urge U.S. policies to foster more raw material-processing in UDCs, via reduced U.S. tariff and non-tariff barriers to such processed goods[173], as well as tariff preferences.[174] UDCs themselves are expected to adopt export-oriented policies as a condition of receiving First World general preferences. Malmgren[175] suggests the creation of an international reviewing board

> to provide a strong incentive for developing countries to adopt policies that would encourage export industries. Thus exchange rates, foreign exchange controls, tax policies, investment policies and other factors affecting export performance would periodically be reviewed to ensure that developing countries were pursuing policies that maximize benefits to be obtained from the preference arrangements.

Such export-oriented policies, as seen later, are integral elements in the ODC's general stance on the topic of foreign investment in the Third World, particularly those of U.S. MNCs, and are the basis for ODC's praise of UDCs like Taiwan and South Korea, which provide (profit-boosting) incentives for their export industries.[176]

Domestic Adjustment

On the other hand, since the manufacturing potential of UDCs lie in labor-intensive products, DCs will have to restructure their domestic output away from such light-consumer items to capital goods and technologically-sophisticated manufactures.[177] This, however, entails some negative effects for certain domestic U.S. firms and workers whose products will face competition from the often cheaper UDC imports. Such negativities will require compensatory measures, otherwise affected interests will seek protectionist safeguards as exemplified by the AFL-CIO-supported Hartke-Burke Bill on Foreign Trade & Investment Act of 1972. This Bill sought to protect U.S. jobs claimed to be lost through investments by U.S. MNCs in low-wage UDC economies and exports of manufactures back to the U.S.[178]

The ODC considers such protectionist sentiments to be misguided and more costly to overall U.S. interests (e.g. increased costs for U.S. low-income consumers; reduced UDC ability to buy U.S. goods)[179]. ODC's trade expert Erb[180] gravely warns that

> unless the domestic political opposition can be accomodated, past trade liberalization progress reaffirmed, an a path set out for trade expansion through the 1980s, the future of international economic cooperation will be jeopardized, dimming the growth and employment prospects of all nations.

Consequently, there is need for an effective U.S. domestic adjustment assistance program to ameliorate costs and losses of affected U.S. industry and labor. With effective retraining programs for workers and proper adjustment aid to injured firms and labor, both capital and workers can be transferred into higher-paying, more efficient industries.[181] Congress is criticized for its poor support of domestic adjustment assistance[182], and while Federal expenditures for such programs increased significantly after the 1974 Trade Reform Act, the ODC remains critical of the restrictive eligibility criteria and cumbersome administrative procedures or delays.[183] Shaw & Sherk[184] also call for creation of a Council of Manpower Advisers to help the President make long-range planning for full employment, and argue that MNCs have a responsibility too to establish adjustment assistance programs within their firms to minimize job-loss effects of overseas actions.

Regional Markets

A fourth ODC proposal on trade is U.S. promotion of trade among UDCs themselves via regional market formations (e.g. free trade area, custom union, common market). Such formations would stimulate manufacturing exports from UDCs, while avoiding the protectionism of DC markets. Examples include LAFTA(Latin American Free Trade Area), CACM(Central American Common Market), EACM(East African Common Market), and the Mahgreb.[185] The ASEAN(Association of Southeast Asian Nations) states are urged to rationalize and harmonize their industrialization policies and increase mutual trade liberalization.[186] Several potential problems of regional markets are however conceded (e.g. weaker members serve mainly as markets and immigrant-labor sources; member states with serious balance-of-payment difficulties will have costlier exports upsetting integration). Thus[187]

> integration schemes among developing countries although highly desirable, can only succeed if there is substantial assistance by the developed countries and by multilateral institutions.

Trade Negotiations

Reporting on the current Multilateral Trade Negotiations (MTNs) between DCs and UDCs to seek ways of increasing UDC share in industrial world trade, Erb[188] noted opinion differences on appropriate strategies. UDCs, albeit displaying varying emphases on specific MTN demands[189], generally argue for more differential and favorable treatment from DCs in both tariff and non-tariff code barriers. They seek an extended, improved generalized system of preferences(GSP) whereby DCs permit reduced or no duties on certain UDC imports into their markets.[190]

U.S. policy-makers, however, see non-discriminatory tariff cuts (i.e. no special treatment of UDCs) and generally applicable nontariff barrier codes as better stimulants of UDC exports than GSPs for UDCs. Such measures that promote trade liberalization would in the long-run give greater gains to UDC manufacturing. The U.S. also argues that reciprocity in trade with UDCs would help rationalize their import-protection policies.[191]

Resolving these differences requires therefore a compromise willingness of UDCs to accept some form of reciprocity, and the reciprocal willingness of DCs to maintain or expand preferences remaining in force while at the same time accelerating negotiated tariff cuts.[192] An example of such compromise is the December 1977 U.S.-Mexico reciprocal concession deal[193] --the first U.S.-UDC negotiated reciprocal agreement under the aegis of the Tokyo Round of MTNs.

On the primary commodity front, negotiations too reflect DC-UDC strategic differences. Progress is expected to be slow in the complex commodity-by-commodity negotiations or in creating an international common fund for stockpiling of key commodities so as to stabilize prices --both of which issues are part of UNCTAD IV's UDC-backed Integrated Programme for Commodities (IPC).[194] As UNCTAD's Secretary-General commented,[195]

> despite the concensus reached at Nairobi (UNCTAD IV-1976), there is little,if any evidence of political commitment on the part of many countries toward achieving concrete

> and effective international action on market stabilization and other agreed objectives.

Nevertheless, in line with ODC's interdependence strategy, Erb expressed support for the IPC scheme, however difficult negotiations might be. Long-run mutual U.S. and UDC interests, as earlier noted, would be served by a more "equitable" world trading order.

Who Benefits?

But most interesting, however, is the ODC's recognition that there is no automatic linkage between more favorable UDC trade terms and meeting basic-needs of UDC masses:[196]

> while trade negotiations among governments by no means contradict a policy emphasis on meeting basic human needs, there is a potential conflict between policies directed by the claims of governments of developing countries on the governments of industrialized nations and policies that focus on the welfare of individuals.
>
> In the absence of measures designed to distribute equitably the benefits from international trade or investment, higher income groups historically have received the largest shares of increases in income.

Nevertheless, the ODC is hopeful that this historical tendency will change for the better, with the active participation of U.S. and other DC policy-makers, and UDC governments and communities. Examples cited reflective of this "greater" redistributive concern include Latin American worker cooperatives for increasing workers' share in export income, and Asian governments' policies which "have contributed to a shift in the internal terms of trade in favor of the peasant agricultural sector." Who the ODC deems to be prime movers for change in this scenario are quite clear when Erb concludes that[197]

> the real challenge to any government and to international officials is to design and implement development programs that distribute the gains from trade and aid more equitably --and to include in the process those who will be affected by its results.

International Trade: Summary

Within the ODC's framework of interdependence, trade is deemed a most significant factor. Faster UDC growth and "development" are dependent upon increased resources from trade expansion. Likewise, DC growth benefits from increased DC-UDC trade, of which a vital component is the raw-material needed to run DC industries.

The present world trading system, however, is conceded by the ODC to be unequally structured in favor of DC dominance and interests. As predominantly primary-commodity exporters, UDCs face worsening terms of trade, while various protectionist barriers erected by DCs retard entry of UDC manufactures into DC markets. The ODC thus advocates greater liberalization of world trade. In the long-run, more dynamic UDC economies will also promote U.S. growth and sustained prosperity via cheaper imported goods for U.S. consumers, easing of U.S. balance-of-payments problems, and a net boost to U.S. employment.

For primary commodities, the ODC supports international negotiations to stabilize and improve UDC earnings. The U.S. should avoid over-reacting against cartel formation.

For manufactures, the U.S. is urged to reduce tariff and non-tariff barriers to UDC processed goods. UDCs are called upon to institute export-promotion policies with the help of MNCs, as in Taiwan and South Korea. Simultaneously, the U.S. will have to implement effective domestic adjustment policies to compensate U.S. firms and workers negatively affected by increased entry of UDC goods, and thereby mollify domestic pressures for increased U.S. protectionism. The ODC also proposes greater regional integration schemes among UDCs for mutual promotion of export industries.

Furthermore, the ODC acknowledges that current trade negotiations between DCs and UDCs on improved trade deals for UDCs are slow because of differing DC and UDC perceptions of what reform mechanisms are appropriate. The U.S. is urged, however, to persevere in trying to reach compromise agreements with UDCs. Finally, although the ODC recognizes that more favorable trade terms for UDCs do not automatically lead to the meeting of mass basic-needs, it remains hopeful that DCs and UDC governments or communities can cooperate in ensuring that gains from improved UDC trading opportunities will be redistributed to UDC masses.

ENERGY AND OCEAN RESOURCES

Within its interdependence strategy, the ODC has expressed substantial concern over two aspects of global natural resources. Firstly, what is the appropriate U.S. foreign policy to cope with the prevailing "energy crisis"?

Secondly, there is the current debate and negotiations on the use and control of ocean resources. What kind of a Law of the Seas would the ODC prefer?

U.S. Energy "Independence"

In response to OPEC's economic clout, DCs should, in ODC's view, counter-organize to a certain extent so as to avoid "unbridled additional price increases" and reduce their vulnerability during continued Arab-Israeli conflict. As well, domestic measures of conservation and increased production, and use of alternative energy sources should be implemented.[198] Notwithstanding such counter tactics, the basic strategy urged by the ODC is the "global approach that more clearly recognizes the realities and opportunities of (U.S.) energy interdependence".[199]

On the one hand, this is because any U.S. push for energy self-sufficiency (via more government incentives for domestic exploration or for new technologies) is likely to be inadequate for meeting the U.S. shortfall over the next several years.[200] A "Project Independence" effort will entail enormous direct and indirect costs for the U.S. (e.g. capital required, pollution, waste heat). Besides, since major trading partners of the U.S. like Europe and Japan have no hope of attaining energy independence, the "entire world economy will remain vulnerable" to OPEC actions.[201] And besides, the U.S. consumer ethic would resist major limitation of demand.[202]

On the other hand, DCs should realistically face the fact of growing wealth of OPEC nations in "petrodollars". "The major industrial centers will want those monetary reserves to contribute to stability in the international monetary system, rather than to cause disruptions."[203]

Co-opting OPEC

A key plank in ODC's energy strategy is therefore the treatment of OPEC nations as global "partners" rather than "competitors". As Hunter[204] argues

> the wisest course for the West...perhaps the only effective course--lies in trying to stimulate among the Middle East oil producers a greater sense of responsibility for the healthy functioning of the worldwide economy as a whole...It is imperative that the United States and the other rich nations of the West begin trying to bring these energy producing states more fully into deliberations about reshaping international monetary policies, as well as into those concerning trade.

Grant[205] notes the emergent status of certain OPEC nations as new "power centers" either regionally (e.g. Venezuela, Nigeria, Indonesia) or even globally (e.g.Saudi Arabia, Kuwait, Iran). Thus there is need for "accomodation and economic cooperation" much as in post-World War II U.S. relations with Japan, Germany and Italy, where longer-run stakes involved were deemed very large. After all, both oil-consumers and producers have mutual benefits from closer cooperation. For example, producers need stable markets and sources of technical assistance to exploit their energy, while consumers will want stable sources of supply and prices that are under control. Consumers, for assured access, should therefore be prepared to pay slightly higher prices and to allow progressive divestment of ownership and control.[206]

Another ODC "interdependence" tactic is the encouragement of OPEC investments in the U.S. economy. By so doing, the oil-producers would not only provide needed capital for U.S. economic growth but also begin to have a stake in the health of the U.S. economy, and in establishing international standards for host-country treatment of foreign investors."[207] More bluntly, such OPEC investments "would have value as 'hostages', helping to insure that oil production continued."[208]

A final potential area that the ODC sees in closer OPEC-DC cooperation is in aid to UDCs. Noting the relatively higher par capita aid contributions of OPEC nations[209] --albeit a narrow scope of beneficiaries centered on Middle East countries--Grant[210] forsees major opportunities for private-contractor initiatives and other DC aid-donors. This is because OPEC states are heavily dependent on outsiders for programming, managerial and implementation skills in their aid programs.

UDC Energy Policies

As for UDC policies to deal with the "energy crisis", ODC experts recommend several measures within their global approach which entail substantial DC aid. For instance, UDCs should be assisted in exploiting natural gas requiring very capital-intensive exploration, production, and transportation methods. Multilateral financing can be used for initial geological work to encourage companies to start exploring in most promising areas, while local UDC expertise should be helped and trained for effective bargaining with oil firms.[211] At the same time, UDCs should be aided in developing alternative energy sources[212], except the nuclear option which should be discouraged given the high capital costs, high manpower and management skills required, pollution problems, and weapons security risk.[213] Last but not least, noting the acute problems of UDCs caused by rising energy prices, Grant calls for DCs to give debt moratoria to UDCs and aid for UDCs' essential imports.[214]

Using the Oceans

With regard to the use of oceans and the current negotiations at Law of the Sea conferences, the ODC projects its typical "interdependence" stance. It warns against unilateral U.S. actions and counsels a global approach in which all parties get a share of the pie. As Howe[215] summarizes, the long-term interests of the U.S. in ocean-use include

> free mobility for its military forces; the free flow of commercial shipping; security for U.S. private investment in drilling for oil off the shores of other countries; guaranteed access to the hard minerals of the deep seabed; conservation of the world's fisheries; preservation of the entire marine ecosystem; and minimization of the possibility of tension and conflict among ocean users.

Obviously, only a widely agreed upon "international oceans regime" can serve such long-run interests,

For example, access to ocean-deep minerals in the long-term is more likely secured through international management than by "rights grabbing" today.[216] Thus, the U.S. Executive is urged to reject congressional legislation (S.713, H.R.1270), drafted by the American Mining Congress, for unilateral assertion of deep-ocean mining rights for U.S. corporations.[217] Required instead is some kind of compromise solution acceptable to both DCs and UDCs which allows international involvement in deep-ocean mining as well as furnishes adequate economic incentives for private entrepreneurs with the required technologies.[218] Likewise, the absence of international agreement on offshore oil exploitation can threaten the interests of U.S. firms via unilateral rule change, expropriation, or conflicting claims on sea sections.[219]

International Negotiations

Negotiations among DCs and UDCs to work out a long-term oceans regime at Law of the Sea Conferences, however, have been and will be difficult and controversial. This is because

> [220]the developing world views ocean diplomacy primarily as a chance to reduce disparities between itself and the maritime powers in technology, influence, economic advantages, and knowledge about the ocean. The United States, by contrast, so far has viewed ocean diplomacy primarily as a means to ensure that there will be minimum interference by coastal states, or by a too powerful international ocean government, with traditional commercial and military ocean activities, and to ensure a favorable climate for continued growth of marine technologies and their economic applications.

For example, in deep-sea mining, UDCs want rich nations to transfer required marine technologies and offer financial assistance, as well as a one-nation one-vote international agency to regulate production and prices. DCs, however, whose MNCs possess the mining technology, prefer special-interest voting procedures to avoid a Third World-dominated international authority over prices and production.[221] There is also the problem of nations either land-locked, shelf-locked or with short coastlines, who naturally argue for special provisions in sharing the wealth residing in ocean-deep resources.[222] Otherwise, such "gross ocean product" would be available only to the technologically or geographically privileged ocean users.[223]

The ODC therefore recommends both international revenue sharing in ocean-resource exploitation, and UDC participation and receiving of technology in deep sea-mining. As Weiss[224] summarized, the

> (Law of the Sea) Conference should aim to ensure an orderly, ecologically sound use of ocean space in its entirety...should not neglect the poorest countries in general, or those countries, rich or poor, which benefit the least from the seas...and...should seek to reduce the disparities of geography, financing, international political power, and technology that exist among nations. Otherwise, the vast wealth of the seas will accrue to the few countries that are rich already, helping them to perpetuate their current world domination.

Energy & Ocean Resources: Summary

The ODC expresses major concern with two specific issues dealing with global natural resources. First, on the question of energy, the ODC deems any attempt by the

U.S. to achieve energy independence to be unrealistic in the short-term. Besides, other First World allies will never be able to attain independence, while the growing stock of OPEC petrodollars constitute a source of potential monetary power which is unwise to ignore.

Thus the ODC advocates greater accomodation to and cooptation of OPEC nations so as to jointly foster international economic stability. Both oil producers and consumers have long-term interests in closer cooperation than confrontation (e.g. stable prices and assured supplies for DCs; stable markets and technology for OPEC UDCs). Also, OPEC nations should be encouraged to invest their petrodollars in the U.S., and thereby acquire a stake in the health of the U.S. economy. Finally, on energy policies, other UDCs should be assisted in searching for oil and natural gas, as well as in developing other energy sources.

Secondly, with regard to the emergent issues of use, control and regulation of ocean resources, the ODC recommends against unilateral U.S. actions in staking out potential sectors of economic wealth (e.g.deepsea mining). It is in the U.S.'s long-term interests to work towards an internationally negotiated "Law of the Seas" in which all nations get a share of the pie. The ODC therefore recommends both international revenue sharing in ocean-resource exploitation, and UDC participation and receiving of technology in deep-sea mining.

Chapter 9

FOREIGN INVESTMENT & MULTINATIONAL CORPORATIONS -- EMPLOYMENT & TECHNOLOGY -- POPULATION & RURAL DEVELOPMENT

FOREIGN INVESTMENT AND MNCs

In the ODC's "development" strategy for UDCs, one crucial component is direct foreign investment by DC private institutions, particularly the giant multinational corporations(MNCs). As ODC writers argue,

> [225]In its efforts to achieve the most efficient possible combination of productive resources, the (MNC) contributes to the creation of a more equitable world order. It raises investment capital in countries where it is abundant and interest rates are low, investing in poor countries where interest rates are high. Likewise, it attempts to locate its more labor-intensive operations where wages are lowest, thereby helping to raise incomes in poor countries. The (MNC) uses the most efficient technology available irrespective of the country of origin. The net effect worldwide is to provide a higher level of living for a given use of resources and effort than would be possible without(MNCs). In this sense, the (MNC) is, almost by definition, socially constructive on the international scene.

> [226]The flow of resources from rich to poor must be stepped up, and one means of doing so is to increase the flow of private investment. Morever, international business investment usually brings with it technological know-how, an essential element on the path to industrialization and diversification ...The developing countries need the marketing channels and stability of orders which international business provide...the identification of quality which is implicit in the names of large ventures... the current knowledge about the requirements of developed country marketing which only developed country organizations possess.

In short, MNCs are a boon to the Third World in ODC's eyes, providing not only risk capital, managerial talent, technical knowledge and international marketing networks, but also jobs.[227]

Exemplary UDCs

To support their enthusiasm for MNCs, ODC experts typically cite a few UDC countries as worthy models to emulate, particularly Taiwan, South Korea, HongKong, and Singapore. Pursuing export-oriented policies, these UDCs have "learned to put international investment and the multinational corporation to work for them," and thus "profited the most from the international economic system in recent years."[228] The Eastern export-economies in particular have attained phenomenal rates of economic growth and sustained export expansion via such MNC investment.[229] The ODC therefore finds the increasing internationalization of production pursued by MNCs a laudable phenomenon fostering economic rationalization and realizing interdependent interests.[230] Various MNC-organized "industrial complementation agreements" are favorably evaluated, including IBM's manufacturing and assembly tasks shared among Argentina, Brazil, Chile and Uruguay, and Ford's ventures in Singapore (electric, plastic components), Thailand and Taiwan(engines), Indonesia(axles and transmissions), and South Korea(diesel engines).[231] Another important contribution MNCs are deemed to give, as later discussed, lies in agribusiness.

Host-Investor Conflicts

The ODC, however, is not unaware of the difficulties and controversies that have sprung up over the roles of MNCs in Third World "development". Several criticisms of MNC conduct include: excess profit outflows; stifling of local entrepreneurship; pollution; depletion of UDC natural resources; little local-managerial training; use of labor-saving capital-intensive technology; enclave nature of MNC investment with limited spread effects and high dependence on imported components.[232] Increasingly, therefore, host nations have begun to place restrictions and control on MNC activity, such as nationalizations, abrogations of oil-mining concessions, and host-country majority ownership and control clauses. In the words of a McKinsey consultant,

> [233]nationalism and its twin, xenophobia, cause agitation and government action against established social structures and traditional patterns of wealth and income distribution to be focussed... upon the foreign investor's position, privileges and prerogatives.

Such conflicts of interest between MNCs and UDC host nations are naturally deemed inappropriate to the building of an interdependent world order. What is required is a "harmonization" of those opposing interests.

UDC Policies

On the one hand, UDCs are cautioned against excessive political and economic nationalism--indiscriminate hostility to all outsiders or wholesale expropriation would turn off capital and technology inflows.[234] A suggested UDC policy reform for "imaginatively" using MNC resources is to avoid emulating DC-based capital-intensive investment. Instead, UDCs can affect prices of various factors of production and thus the choice of technology and employment patterns (e.g. tax incentives for labor-intensive production; control of foreign exchange and interest rates; subcontracting by MNCs to local enterprises).[235] The abundant cheap labor[236] in UDCs can be used for MNC-organized production of components via individual processes, thus avoiding duplication of large-scale DC-type integrated manufacturing systems.[237] As noted above, East Asian export-oriented UDCs are lauded for such policies.[238]

Another ODC suggestion for UDC policy on MNC investment was raised in the Latin American context, where nationalist-protectionist policies have hindered regional integration by MNC affiliates in those countries. This prevents efficiency in production and hence retards international competitiveness. Thus policies should be formulated to tie Latin American industries together and in turn link them to the First World through worldwide MNC networks.[239]

MNC Adjustment

On the other hand, the ODC also calls upon MNCs to adjust to the realities of host-nation influence and the problems of Third World underdevelopment. MNCs should not continue to expand investments and pursue immediate corporate objectives without much concern for broader "development" needs of host UDCs.[240] Such concern could involve investments in labor-intensive industries, R & D in appropriate technologies, local training of UDC personnel, more use of local sub-contractors and marketing services, greater in-UDC processing of raw materials, more diversification of production, and accepting local equity-management participation.[241] As ODC's energy expert Hunter[242] said with regard to oil,

> if we're smart, we can keep things from turning sour. After nationalization, somebody has to keep running the oil-wells and marketing the products...why should'nt we show enough good faith so that our relations with developing countries will benefit us even after investments are nationalized?

And at the same time as closer collaboration with host nations is counselled, the ODC also advises MNCs to refrain from using their home country's power and foreign policy to serve corporate objectives.[243] Conversely, the "U.S. government should be scrupulously careful to ensure that in the future there is no substance to the familiar charge that it uses U.S. based multinational corporations to carry out U.S. policies in other countries."[244]

International Regulation

Based on these considerations, the ODC advocates a major international effort to draw up guidelines and ground-rules for the regulation of MNC investment and host-country policies towards such investment. Such regulation would help control excesses of MNC activity and relate it more to the "broader goals of Third World development" on the one hand, and on the other hand, provide a stable, legal regulatory farmework and profitable investment climate in which MNCs can operate with certainty. As Gabriel[245] warned, the MNC will continue to grow only if it can adapt its operations to the host country's exercise of its sovereignity, while host countries

> will...have to bury the hatchet, acknowledge the vital role that the multinational corporation's resources can and do perform in the development of their economies, and commit themselves to abide by the new terms on which these resources are being made available...(that is) a denouement based on mutual accomodation.

Against Protectionism

Last but not least, the ODC expresses concern over the increasing protectionist attitudes taken by U.S. organized labor towards U.S. MNC investments abroad. AFL-CIO's George Meany, for example, called in 1971 for the regulation of

> [246]multinational corporations for exporting American jobs through the transfers of capital and technology, for exploiting foreign cheap labor and pocketing the profits, and for working entirely outside the control of the nation-state.

The Hartke-Burke Bill of 1972 presented to Congress with strong support from certain industries and the AFL-CIO, was aimed at protecting jobs of American workers through quotas on competitive imports, especially UDC labor-intensive manufactures, and through restrictions on U.S. investment overseas.[247]

In the ODC's view, these protectionist proposals are based upon misguided and incorrect analyses. U.S. MNCs transfer production abroad not wilfully, but out of market duress.[248] Foreign investment is crucial in maintaining U.S. competitiveness vis-a-vis other DCs' industries. As a "defensive" act, a corporation has to reduce

> [249]domestic employment in certain lines of its production process so that it can remain competitive on the final product, thus increasing its total output and employment in the United States, and at the same time obtaining profits from overseas sales it would not otherwise have realized.

Furthermore, U.S. MNC investments in Third World labor-intensive industries help save U.S. consumers over $10 billion a year in cheaper basic goods, while UDCs have more purchasing power to buy capital- and skill-intensive goods from the U.S., thus increasing employment as well as the average U.S. worker wage. Likewise, exports of parent MNCs to their subsidiaries of technology, capital equipment and services help create U.S. jobs.[250] Finally, to the charge that MNCs exploit UDCs as "sweatshops", Malmgren[251] argues it is inappropriate to equalize wage conditions in the UDCs since their products would be unable then to compete against rich-country exports which are of higher quality and adaptability. Also, higher UDC wages would discourage labor-intensive industries which are based on cheap labor costs. As earlier discussed, the best solution in ODC's view is not protectionism, but rather an effective domestic adjustment assistance program for U.S. industry and labor affected by U.S. MNC investment in UDCs.

Foreign Investment & MNCs: Summary

In ODC's "development" strategy for UDCs, direct foreign investment by DC private institutions, especially the MNCs, is advocated as necessary and constructive. MNCs provide capital, technology, jobs, managerial knowhow, and international marketing networks. The "success" of certain UDCs (e.g. Taiwan, South Korea, Mexico) in collaborating with MNCs to produce economic growth and export expansion is cited as evidence of the value of foreign investment.

However, emergent "conflicts" of interest between MNCs and host nations are conceded to exist (e.g. criticism of excess profit outflows, over-use of capital-intensive technology, enclave economic "development"). Following the logic of interdependence, such conflicts require harmonization so that both investors and host nations can mutually benefit. UDCs are advised to temper excessive nationalism, otherwise all investment flows could be frightened away. Rather, UDCs should correct various factor-price distortions so as to maximize MNC participation in labor-intensive and appropriate technology production. Conversely, MNCs should show more concern for broader "development" needs of host UDCs (e.g. more labor-intensive investments and R & D; more local equity-management participation; more in-UDC processing). Also, MNCs should refrain from trying to use their home country's foreign policy and power to serve corporate objectives.

The ODC therefore recommends international efforts to draw up guidelines and ground-rules for regulating MNC investment and host-country policies towards such investment. Such an international investment code would benefit both MNCs and UDCs. Finally, the ODC reproves U.S. organized-labor's increasing protectionist attitudes towards U.S. MNC investments abroad, attitudes which fail to see the necessity of overseas investments if U.S. MNCs are to maintain international competitiveness and thereby sustain U.S. domestic employment. Also, U.S. MNC production abroad yield cheaper goods for U.S. consumers. The ODC thus urges more effective domestic adjustment assistance programs, rather than increased protectionism, as a solution to domestic injuries caused by U.S. MNC operations in UDCs.

EMPLOYMENT AND TECHNOLOGY

In the ODC's worldview, the growing unemployment problem in UDCs poses threats to First World long-term security. The jobless, whose ranks are swelled by rapid population growth, represent a volatile source of discontent and frustation liable to erupt into violence and disruptive of the "existing social and political order."[252] This is especially so in cities with their increased possibilities for political organization."[253] Domestic unrest and violence in UDCs are in turn inimical to DC interests at a time of increasing dependency on UDC resources.[254]

Blaming Traditional Economics

The unemployment crisis is attributed by ODC experts to traditional economic development theories which stress priority of urban-based industry and services.[255] Such sectors were considered to be the dynamic elements of the economy,[256]

> whose growth rate was to be maximized and which would, through linkages, pull other sectors along. The function of the agricultural sector was to provide sufficient marketable surplus so that an increasing proportion of the labor force could be effectively employed in non-agricultural sectors... Most of the policies following from this viewpoint --low foodprices, emphasis on heavy industry, import substitution, and protection against foreign manufactures--had the direct and indirect consequence of subsidizing industry at the expense of agriculture.

The high growth rates from this type of "development" failed, however, to provide sufficient employment. In the Philippines, for example, despite GNP growth of 6 percent annually during the past decade, open unemployment rose from 5.9 percent in 1959 to 7.9 percent in 1968, while income distribution worsened from 12:1 (richest 20%:poorest 20% population) in 1956 to 16:1 in 1965.[257]

The low labor-absorptive capacity in many UDCs is attributable to various factor-price distortions. Over-high industrial wage rates, and over-low interest and foreign exchange rates (thereby the price of capital), have favored capital-intensive, labor-saving techniques and sectors.[258] These factor-price distortions in turn stemmed from UDC import-substitution policies to promote modern industry tied to DC aid and style, and catering to upper- and middle-class consumption in UDCs; the priority given to administrative regulatory systems over free-market mechanisms; the upward pressure on urban wages by better organized workers; and the predilection of credit institutions to deal with large, well-known businesses.[259] One example is the more capital-intensive labor-saving rubber industries of India and the Philippines, compared with those in Japan, South Korea, and Taiwan.[260] Another illustration is the heavily protected monopoly fertilizer industries of India, which work at 25 percent capacity since no capital credit is available for farmers or for improvement of the distribution system, and which reap huge profits for owners like the Birla and Tata families.[261] A third example is that of an UDC which imported two plastic-injection moulding machines for $200,000 and hired 40 workers to produce 1.5 million pairs of shoes and sandals a year. This caused the loss of 5,000 artisan-shoemaker jobs and a reduced market for suppliers/makers of leather, glues and other local materials not required for plastic shoes. Conversely, the required PVC has to be imported.[262]

And in the rural sector, underemployment and unemployment are --as previously discussed--attributed to the neglect of agriculture in traditional economic "development" theories. Even the highly praised miracle-seed technology is recognized to be potentially labor-saving,through excessive mechanization encouraged by various factor-price distortions and political-economic inequities.

Biased Technological Transfer

As noted above, the propensity towards using capital-intensive technology directly aggravates UDC unemployment. The ODC, however, has also been concerned with the wider "development" impact of technological transfers to UDCs. The ODC concedes that technology exports from DCs to UDCs are often "inappropriate" to UDC resources and needs.[263] Reflecting factor endowments (e.g. labor, capital), market and enterprise size, consumer incomes and tastes, and transport facilities congruent with rich-nation economies, such technologies are therefore inappropriate for UDC circumstances (e.g. scarce capital, abundant labor, mass poverty)[264]. For example, DC-type modern technology goods are too costly for low-income consumers, while capital-intensive technology diverts substantial national savings into capital equipment and infrastructure for the privileged few, away from basic tools for the masses.[265]

All key agents in DC-UDC technology transfers have contributed to this "inappropriate" bias. Thus MNCs are inclined to use the most capital-intensive technologies available (since these are most familiar), their original R&D requires extensive use for maximum returns, and less workers required mean less labor troubles. Furthermore, adaptations and any R & D within UDCs are usually kept to the minimum by MNCs, given the costs in training, time, and risk of economic failure.[266]

Secondly, as earlier mentioned, UDC governments create factor-price distortions via highly inappropriate fiscal, monetary and investment policies. Thus scarce capital is under-priced by artificial subsidies via low interest rates, an over-valued foreign exchange, preferential or zero tariffs on imported capital goods, accelerated depreciation allowances, and tax holidays on investment. Conversely, labor --though abundant-- in the modern urban sector become over-priced through minimum wage laws, job tenure legislation and organized labor pressures.[267]

Thirdly, aid-donors have contributed to over-capital intensive technological transfers, through "tying aid to source or product, technical advice from foreigners or natives trained to emphasize labor-saving techniques... and the promotion of modern machinery by foreign salesmen."[268] World Bank project loans too are biased towards purchase of overseas machinery, while preference for international standards tend to favor the latest capital-intensive technology.[269]

Factor-Price Corrections

The ODC therefore recommends the correction of factor-price distortions which would reallocate investment expenditures to agriculture and wage-goods sectors, and stimulate R & D appropriate to existing factor endowments.[270] By adjusting interest rates, tariffs, licenses, foreign exchange, profit taxation and wage policies, UDC governments can foster competitive pressures which encourage use of more labor and less capital. Furthermore, to maximally utilize rural labor, investment in rural infrastructure is needed to better serve small farmers, including irrigation, roads, storage, credit-marketing facilities, health and education. Required complementary changes would be land reform and monopoly regulation.[271]

In this regard, the "success" of UDCs like Taiwan, South Korea, Singapore and HongKong are deemed to be the result of such employment-oriented policies.[272] They are contrasted with India and the Philippines, where "misallocation of resources, inappropriate emphasis on capital-intensity, and poor levels of competitiveness are manifest."[273] MNCs like Philips in Indonesia and Renault in Colombia are lauded for having responded to UDC governmental pressures for more small-scale, labor-intensive investment.[274] And with regard to the employment-technology nexus, the Chinese and Cuban socialist models are given short notice.[275]

> Communist China has experimented with 'backyard' steel plants and a host of other programs. Periodically, millions of 'marginal men' are forced from the cities back to the countryside in order to prevent the growth of unemployment in the towns. Cuba has provided full employment but at the apparent cost of stagnation in the economy.

We shall see, however, in the later analysis of ODC views that sound more "radical", that at least one staff-member (namely ODC's in-house "radical" Denis Goulet) disagrees with such negative appraisal of the Chinese approach to technology.

Appropriate Technology

A central device in line with factor-price corrections is hence the use of more appropriate technology. According to Weiss[276], technology is "appropriate" if it

> permits the most effective possible use of a country's resource endowments, while economizing on its scarce resources. Its output should be of the quality, precision, uniformity, price and quantity demanded by the domestic and foreign markets. It should have a favorable impact on future employment opportunities--and on income distribution.

In the typical UDC context, appropriate technology necessarily means a shift to less capital- and more labor-intensive technology. It provides more productive jobs and thereby wider growth distribution and consumer demand. It also fits more easily into traditional small-scale productive units and markets, allow more diffused industrialization through a larger area, make more use of local raw materials, and stimulate traditional primarily rural sectors through backward linkages.[277]

UDC governments are therefore urged to invest in more R&D of appropriate technology, including training of local scientists and researchers; special institutes; assistance to indigeneous engineering industries; incentives to MNC subsidiaries; and cooperation with DC and international agencies like the U.K. Intermediate Technology Development Group, the ILO World Employment Program, the FAO, UNIDO research institutes, and the World Bank.[278] UDCs are also urged to strengthen their collective bargaining power vis-a-vis costs and control of technology purchases (e.g. joint purchase of technology-use rights from MNCs so as to reduce costs; combined pressures for revising of world legislation on patent systems; joint negotiations with MNCs; sharing of R & D infrastructure), and to "unpackage" excessively broad MNC technology pruchases which prevent UDC selectivity and optimization of local inputs.[279] Many of these reforms obviously require both DC governments' and MNCs' cooperation. In the case of U.S. policy, the ODC recommends that the U.S. implement proposals it had made at the UNCTAD IV conference, such as formation of an International Industrialization Institute to encourage appropriate technology R&D for UDCs, cooperating in exploring suitable general investment and technology-transfer codes of conduct between MNCs and host governments, and supporting revisions of international patent laws.[280]

It should be noted, however, that a more appropriate technology policy for UDCs is not seen by the ODC to be only labor-intensive technology. As the ILO[281] stated, "the implementation of a basic-needs strategy calls for a combination of capital-intensive and labor-intensive technologies." For Latin America, Bradford[282] agreed on the need to focus more on labor-intensive industries but also warned against over-concentration. This would retard Latin American integration into the dynamic world market of modern high-technology products. And commenting favorably (albeit untypically for an ODC writer) on the Chinese case, Goulet[283] notes the co-existence of capital-intensive modern technologies in capital goods industries (for reasons of international competitiveness and keeping up with modern innovations) with basic consumer goods industries that sacrifice some efficiency for maximizing employment, local worker participation in production and research decisions, and optimizing local inputs.

Employment & Technology: Summary

The worsening crisis of UDC unemployment is seen by the ODC as a serious threat to First World long-term security. Jobless people, especially those in urban areas, are potentially disruptive of the "existing social and political order." The ODC attributes the UDC unemployment problem to traditional economic development theories which overstressed urban-based industry and services, and neglected agriculture, where the UDC masses are concentrated. Furthermore, industrial development has been low in labor-absorptive capacity, owing to various factor-price distortions. Even new agri-technology like the Green Revolution is conceded to increase rural joblessness via over-mechanization.

The unemployment problem is hence linked in part to the biased nature of DC technological-transfers to UDCs. Often the technology transferred via MNCs or DC governmental aid reflects rich-country factor endowments and is hence highly inappropriate to UDC conditions. UDC governments themselves foster inappropriate technology transfers via fiscal, monetary, and investment policies, which create factor-price distortions.

Such distortions need to be corrected to reallocate more investment funds into agriculture, into basic goods for the masses, and into labor-intensive production. Again, the "success" of UDCs like Taiwan and South Korea is cited as models of employment policies worthy of emulation. Socialist models like Cuba and China, however, are deemed less exemplary. The ODC obviously advocates greater use of "appropriate technology" which necessarily means a shift of emphasis to (but not exclusively) labor-intensive methods and smaller-scale industry .

Thus UDC governments should invest in more R&D of "appropriate technology", assisted by DCs and international agencies. The ODC also urges more "collective bargaining" cooperation among UDCs so as to obtain improved and more appropriate technology-transfer deals from MNCs. Finally, various international reforms are advocated as worthy of U.S. support (e.g. revisions of patent laws; establishing technology-transfer codes).

POPULATION AND RURAL DEVELOPMENT

Among the development issues analyzed by the ODC, the complementary problems of (a) producing enough food for (b) the rapidly growing population of the Third World occupy much space in ODC literature. Lester Brown, ODC's long-standing expert on these issues until 1976, makes clear the imperative of controlling UDC population growth:

> [284]In our interdependent world, we depend on common global resources--energies, minerals, marine protein and water.....where resources are finite, the more of us there are, the less each of us can have....The need to stabilize world population as quickly as possible is therefore evident.
>
> [285]Continuing population growth, even at a moderate rate, will henceforth aggravate virtually all the important economic, ecological, social and

> and political problems facing mankind (e.g. inflation, energy and food scarcity, pollution, rural employment)
>
> [286]Uncontrolled human fertility may pose a greater threat to our future well-being than any other single factor.

Transcending Neo-Malthusianism

ODC's diagnosis of the "population problem" avoids, however, the crude neo-Malthusianism logic often found in traditional modernization circles, that of blaming rapid population growth for causing poverty. Provision of family planning services alone is insufficient--it must be complemented by increased living standards, especially among the rural poor.[287] As Rich[288] explains,

> the evidence...indicates that policies combining economic growth, more equitable distribution of the economic and social benefits of progress, and easy access to family planning services can bring about a much greater reduction in fertility than can any one of these factors alone....In most countries, large-scale fertility declines cannot be expected until the living conditions of the majority of the population improve enough so that they no longer consider large families necessary for economic reasons and are therefore more likely to want fewer children.

Demographic history shows that declining birthrates occurred due to mass access to goods and services, even before large-scale family-planning programs. In present UDCs where such mass distribution is lacking, birthrates remain high regardless of wealth, GNP growth or population control projects.[289]

As models of successful population control, the ODC frequently cites Taiwan and South Korea, where land reforms, relatively "well-distributed" average incomes, improved rural health services, and effective primary education are said to have facilitated family-planning programs and furthermore helped accelerated economic growth.[290] Rich also lauds China's improvements in mass access to health-care, education and goods which are conducive to reduced fertility. He is careful, however, to cite it as just one alternative "development" model among other UDC "successes" like Argentina, South Korea, Uruguay, Singapore, and Costa Rica.[291] But more recently, Brown & Eckholm[292] conceded that

> the only populous developing country that appears largely to have overcome the logistical and economic obstacles to providing universal planning services is China.

First World Role

Since the ODC's population-control strategy entails the complementary requisite of meeting basic-needs of UDC masses, the U.S. and other DCs should --apart from direct aid for family-planning services-- provide assistance for mass-oriented economic, social and educational programs.[293] There are also the afore-mentioned calls for reform in the international trading, investment and monetary systems, so that UDC economic growth can be sustained to facilitate basic-needs programs.[294] And Brown adds the individual touch by urging DC citizens to do their bit as family-planning volunteers or fund-raisers, and in the broader analysis, consuming less via simplified lifestyles.[295]

Significantly, via a recent Development Paper, the ODC circulated the views of World Bank President Robert

McNamara on the population issue. McNamara's[296] analysis concurs closely with ODC's strategy, reiterating the theme of "accelerating population stabilization through economic and social progress." Though McNamara warns that "rampant population growth is an even more dangerous and subtle threat to the world than thermonuclear war". he concedes it is not the sole or predominant cause of social injustice and poverty. Rather, an effective attack on poverty, and effective population policies are dynamic complements,[297] as the "positive" examples of South Korea(vis-a-vis Mexico) and Kerala(vis-a-vis the rest of India) illustrate.[298] The World Bank President therefore recommends the following tactics:[299]

> To create the demand for a change in family norm, governments should try to:
>
> Reduce current infant and child mortality rates sharply...Expand basic education and substantially increase the proportion of girls in school...Increase the productivity of smallholders in the rural areas and expanding earning opportunities in the cities for low-income groups...Put greater stress on more equitable distribution of income and services in the drive for greater economic growth...And above all else, raise the status of women socially, economically and politically.
>
> To satisfy the demand for a change in family norms, governments and the international community should:
>
> provide a broad choice of the present contraceptive techniques and services to parents...improve the delivery systems by which parents can get the services they wish...And expand present levels of research seeking better techniques and services."

Rural Modernization

Since population control is seen as dependent upon raising living standards of UDC masses, the bulk of whom are rural people, the ODC deems it imperative to formulate a rural development strategy that will increase food production and agricultural productivity. Firstly, traditional growth theory is criticized for assuming that job creation occurs naturally as the "dynamic" manufacturing and service sectors expand:[300]

> Agriculture has represented a kind of residual storage tank in which the bulk of the labor force could find some sort of subsistence until sufficient economic development has occurred to cause a structural transformation, drawing most of the workers into urban based industrial and service sectors.

This neglect of agriculture has meant stagnant rural employment opportunities in the face of rapid population growth. Coupled with capital-intensive urban industrialization policies, this has fostered urban joblessness and mushrooming slums as rural-to-urban migration continues unabated. Thus rural modernization must occur to provide more and better employment in the countryside.[301] Secondly, criticism is levied on UDC governments for failing to reorient policies to benefit poor small farmers--a shift of emphasis that is reflected in the basic-needs strategy endorsed presently by DC agencies like the World Bank, USAID and of course the ODC.[302]

> Many developing-country governments continue to devote a disproportionate share of their development resources to large-scale industrial development, mechanized agriculture on large farms, and the provision of social services in a few major cities.

The major components in ODC's strategy for rural modernization hence include a strong reliance on the so-called Green Revolution, on promotion of agribusiness under

MNC auspices, on small-farmer "development" programs, on rural industrialization, and on the complementary international mobilization of resources to tackle the world food problem.

Green Revolution

Since its inception, the ODC has vigorously upheld the use of "miracle" or high-yielding seed varieties (i.e. the Green Revolution) in solving UDC food problems. ODC's founding Chairman and corporate heavyweight Eugene Black is quite typical of ODC writing in his euphoric evaluation:

> The agricultural breakthrough in the poor countries, the Green Revolution, is the most exciting development story of the past decade. The new "miracle" rice and wheat seeds are proving to be engines of change on a vast scale. They bring hope, enabling us to raise our sights as to what might be accomplished in international development in the seventies.

Brown[304] even dubbed the Rockefller Foundation scientists who pioneered the new seed technology as "the four young revolutionaries--Like Mao Tse-tung they believed that the future of poor countries would be decided in the countryside"! HYVs are deemed analagous to the steam-engine's role in the industrial revolution,[305] and for India, miracle rice is said to have overcome famine prospects. "Assuming political stability", Brown predicts Indian self-sufficiency in food by 1972.[306]

As later discussed, the ODC views favorably the role of MNCs and DC corporate interests in promoting the Green Revolution. It remains here to note the ODC's awareness of political and economic difficulties in implementing Green Revolution programs.[307] One problem stems from the substantial investments required for inputs like fertilizers, pesticides and irrigation. Richer, larger farmers, having easier access to capital and irrigated land, thus reap more benefits than the majority of poor peasants.[308] Landlords, attracted by the potential profit increase from "miracle" crops, aggravate unemployment through excessive mechanization and worsen landlessness via eviction of tenant farmers.[309]

The destabilizing effects of such problems are obvious, as tensions and conflicts emerge between beneficiaries of the new agri-technology and those adversely affected such as landless laborers and tenant farmers. These tensions have resulted in strikes, violence, illegal expropriation of land, and even assasination. Shaw[310] notes

> indications that politicization is occurring and is likely to increase throughout Asia. In many areas leftist parties are moving to exploit the situation. They openly proclaim their intention of transforming the tendencies towards economic and social polarization into open political confrontation between the richer landowners and the rest of the rural population.

And Brown & Eckholm[311], no longer so euphoric about the Green Revolution panacea, concede that the Filipino miracle rice "success" has failed because of civil unrest, susceptibility to disease, and lack of government support. As they now see it, "in sum, the Green Revolution does not represent a solution to the food problem" --'it has only been a means to "buy time" for restricting population growth.[312]

Small Farmer-Oriented Reforms

To the ODC, such rural instability should, and can be preempted via certain agricultural reforms and reorientation in UDC government "development" policies. Would-be "exploiters" of the "tensions" are admonished:[313]

> There are those who take an ideological view of agricultural reform--or agrarian reform....But a pragmatic view seems more appropriate, given the great promise of the new seeds and their associated technologies (which)...should make it possible to achieve reform without total destruction of the existing social order.

ODC-desired reforms[314] include land-reforms (incorporating ceilings on land-ownership in Green Revolution areas; redistribution of released land to needy farmers; rent limits "if..politically and administratively feasible"); cheap credit facilities accessible to small farmers; a national mechanization strategy including pricing-tax policies imposing full-cost burdens on users of machinery, import controls on heavy equipment, and local manufacture of less sophisticated machinery; diversification of agricultural production into fruits, vegetables, feed grains, and livestock/poultry industries, since world cereal trading patterns are against increased exports from UDCs.[315]

In this regard, Japan and Taiwan are deemed exemplary in their gradual adoption of technology, effective land-reform programs, and credit-extension-irrigation facilities for small farmers. This enabled agricultural development and resulting structural transformation to proceed without a sharp division between different classes of producers within the whole agricultural sector.[316] A negative model cited is Mexico, and Shaw fears that South and Southeast Asia will tend to go along that route with "severe implications for the patterns of their economic growth, and for their political futures." As for China, an initial cursory dismissal on the basis of food import requirements due to population growth and "the ill effects of Mao's communalization" policies[317] , has turned to a somewhat grudging acceptance of success in meeting rural basic-needs. Note is taken of the more equitable production and distribution system embodied in Chinese communes, the increased local investment for collective purposes, accessible nationwide agri-extension services, rural education and training facilities, improved health care, effective birth-control programs, and more equal rural-urban terms of trade --all of which have combined to assure a basic consumption standard for all rural and urban Chinese.[318] Notwithstanding such acknowledgement of positive results, there is no attempt to explore further the inherently "revolutionary" implications of the Chinese model for other UDCs. As earlier noted, and elaborated later, this attitude fits well with ODC's rejection of revolutionary socialism.

Promoting Agribusiness

One key agent in ODC's agricultural reform strategy is the MNC, via agribusiness investment. The global agricultural research network initiated by the Ford and Rockefeller Foundations[319] is said to be "an international event of enormous significance."[320] Furthermore, corporations producing implements, fertilizers and other inputs are said to conduct useful research for institutionalization of the new seed varieties.[321]

> Agribusiness has found it very profitable to invest in research and agricultural extension. The large-scale entry of agribusiness corporations into these activities is in large measure responsible for the innovative, dynamic character of American agriculture during the past quarter century...There is good reason to think that the same process will take place in the poor countries...It is difficult to see how this needed investment (in agribusiness) in the poor countries will be found without engaging the capital and the technical resources of the (MNC).

The efficiency of MNCs in transferring Green Revolution technology is continually lauded. Examples include Exxon's 400 agro-service centers in the Philippines dispensing Exxon fertilizers, seeds, implements, pesticides and advisers, and the Overseas Agricultural Development Corporation formed by 24 Japanese firms to supply farm inputs and technical assistance to Southeast Asia.[322] Even the mid-60's pressure by the U.S. and World Bank on India and Pakistan to encourage U.S. MNCs to invest in local agribusiness is cited in an approving light.[323]

Besides participation in the Green Revolution, MNCs are also favorably cited for their increasing interest in food processing and other agribusiness investments.[324]

> Many poor countries, lacking the marketing and processing know-how to gain access to overseas markets, are attracting investments by multinational food-processing corporations that have the global marketing systems needed to link the production resources of these countries with foreign markets.

Examples mentioned include the role of United Fruit Co. as marketing agent and technical adviser for 260 privately owned new banana farms in Colombia; investment by Dole and Del Monte in Filipino pineapple-canning; loans by USAID, World Bank, and IDB to convert grazing potential of Latin America and Sub-Saharan Africa into livestock exports; and processing of fruits and vegetables by U.S. MNCs in Mexico, which capitalize on "both that country's favorable climate and underemployed labor force and the lucrative North American market."[325]

Rural Industrialization

Another component of ODC's "rural development" strategy is the increased rural industrialization possible from the new production tactics discussed above. A more dynamic agricultural sector will help market towns and small cities prosper, since the higher levels of required inputs (seeds, tools, fertilizers, credit) mean more local production/distribution jobs, increased yields mean more processing, transportation and marketing, and increased farm incomes are spent on labor-intensive goods or services which can be locally produced.[326] One cited example of such rural industrialization is Dacca, in Pakistan's Punjab, which became a center for manufacturing simple diesel engines for tube-wells and grain mills, employing 1000 workers in 100 small factories. Grant also predicts that

> [327]creating the conditions of access for small entrepreneurs in market towns and small cities can also bring into the national economy hundreds of

> farmers, are now excluded from participating in development.

DC Governments' Role

First World governments play major roles in the ODC's strategy for UDC rural modernization. Thus in the Green Revolution, they help finance fertilizer imports, provide technical assistance, and dispense loans or guarantees for MNC agribusiness investment.[328] DC food aid is viewed as beneficial, not only feeding people but also generating local funding for projects like rural credit systems and grain storage facilities.[329] Late 1974, the ODC urged President Ford to make 4 additional million tons of food aid (New York Times,Nov 23,1974:10), and in 1977, Sewell[330] lauded the shift from food aid to largely immediate U.S. allies to the current Congressional requirment of prioritizing poorest UDCs. Care is needed, however, to ensure that food aid does not act as a disincentive to UDC food production, as "it sometimes has in the past." The fact that the U.S. has made political use of food aid for 20 years (e.g. denying Allende credit wheat in mid-1973) is admitted and rebuked.[331] And domestically, the U.S. and other DCs are urged to reduce their non-agricultural uses of fertilizer (e.g. lawns, gardens and golf courses)[332], so that more could become available for UDCs.

Following the 1974 World Food Conference, the ODC vigorously advocated U.S. support for Conference proposals on international coordination and intervention in world food production. Three priority objectives established by the Conference were (a)reaching minimum food aid levels; (b) creation of grain reserves, and (c) increasing UDC food production.[333] The primary practical results of the Conference[334] are the setting up of a coordinating World Food Council (headed by former USAID Administrator John Hannah) which has identified 43 neediest UDCs; establishment of a consultative group[335] under World Bank auspices to identify places and projects for major financial investment in improved food production; and the formation of the OECD- and OPEC-financed International Fund for Agricultural Development(IFAD) to assist food production in food-deficit UDCs. Little progress, though, has been made on negotiations for a world food reserve system, and the U.S. is urged by the ODC to give high priority to the problem.[336] Finally, in a New York Times (June 14,1977:35) article, McLaughlin gives the ODC-type nod to political-economic constraints in solving the world food crisis. Thus it is conceded that adequate supplies via good crops and increased production may not reach the hungry:

> ...for it is the lack of adequate demand(or income), not lack of supply, that keeps people malnourished...Even in the crisis year of 1973-74, there was no shortage of food. Many people simply could not afford to pay for it....The adequate supplies so often mentioned these days do not get to hungry people, because neither the international food system nor the national and international political structures permit them to grow or buy their food.

However, in typical ODC fashion, there is no objective follow-through on what could have been the beginnings of critical analysis. Unremitting faith is held about the gradual reformability of those unequal systems and structures.

Population & Rural "Development": Summary

With regard to the "overpopulation" problem, the ODC attempts to transcend a crude neo-Malthusian approach by not blaming rapid population growth for causing poverty. Instead, it is conceded that a rise in mass living standards is a necessary complement to family-planning programs before birth-rates can decline. Again, Taiwan and South Korea are cited as exemplary UDCs where equity-oriented economic "development" programs have facilitated population control. Socialist China too is lauded in this area, but the ODC is careful to cite it as one possible "development" model among a host of capitalist "successes". And to help UDCs in coping with "overpopulation". the usual assisting role of UDCs is envisaged: more direct aid for family-planning projects, and the general re-orientation of DC aid towards meeting "basic needs".

With regard to rural "development", the ODC deems it necessary to increase food production and agricultural productivity. Traditional modernization theory has fostered neglect of UDC agriculture and hence rural unemployment and worsening rural-to-urban migration problems. Also, poor small farmers have invariably received little attention from UDC governments. The ODC therefore advocates an "equity-oriented" rural modernization strategy which includes strong reliance on the Green Revolution technology (notwithstanding its conceded compounding of rural political-economic inequities), on MNCs as key agents of miracle-seed technology transfers, on reforms to benefit small farmers (e.g. land reforms,credit facilities), and on expansion of MNC agribusiness investments. Increased rural industrialization is also advocated.

Once more, Taiwan features as an exemplary model of rural "development", whereas China, although conceded to have met basic-needs of its masses via equitable production-distribution systems, is not posited explicitly as a worthy example for other UDCs. The First World, of course, is seen as playing major roles in implementing such a basic-needs approach to rural "development". These include funds for fertilizer imports, technical assistance, incentives for MNC agribusiness investment, food aid, and international coordination and intervention in world food production. In the latter regard, the ODC vigorously supports U.S. support for proposals initiated at the 1974 Rome World Food Conference (e.g. creation of global food reserves; international investments in food production).

Chapter 10

A NEW INTERNATIONAL ECONOMIC ORDER -- EDUCATION IN UDCs -- "DEVELOPMENT EDUCATION" FOR AMERICANS

A NEW INTERNATIONAL ECONOMIC ORDER

Thus far, in preceding chapters, the discussion has exposed various "political-economic" facets of ODC's proposed interdependence strategy which will, in its opinion promote UDC development. It is now appropriate to deal with the ODC's reaction to "New International Economic Order" (NIEO) demands currently voiced by poor nations. Although several aspects of the ODC's NIEO stance have been covered or implied in preceding pages, it is helpful to make the general ODC position explicit -- particularly given the vogue that NIEO issues now enjoy in academic and non-academic "development" circles.

UDC Discontents

The actual declaration of an NIEO at the Sixth Special Session of the U.N. General Assembly in 1974 was, as Hansen[337] noted, the expression of "a decade(1964-1973) of growing frustation with the general unwillingness of industrialized countries to alter the rules of the international economic system to conform with the needs of the development process as perceived within much of the South(UDCs)." Or as World Bank executive and frequent ODC guest expert Haq[338] puts it,

> the poor nations (were) beginning to question the basic premises of an international order that leads to ever widening disparities between the rich and the poor countries and to a persistent denial of equality of opportunity to many poor nations.. There is sufficient concrete evidence to show that the poor nations cannot get an equitable deal from the present international economic structures... once there are major disparities in income distribution...the market mechanism ceases to function either efficiently or equitably, since it is weighted heavily in favor of the purchasing power...of the rich.

This frustation had been channeled through UDC "solidarity" at UNCTAD(U.N. Conference of Trade & Development) sessions--where at UNCTAD I in Geneva, 1964, the "Group of 77" UDCs first presented a common front on UDC demands for changes in the world trading system, and continued to do so at the next three UNCTAD conferences.[339]

It was in part the dramatic success of OPEC in late 1973 that stimulated more vigorous expression of Third World demands from increased "equity" and "opportinity", particularly in various commodity cartelizations for increased earnings and control. Thus, following the NIEO declaration in Spring, 1974, the Third World bloc has demanded a Charter of Economic Rights & Duties of States at the December,1974, U.N. General Session, formulated the Dakar Declaration at the Non-Aligned Nations session in February 1975, and issued the Lima Declaration at the Second General Conference of the U.N. Industrial Development Organization in March,1975.[340]

NIEO Demands

The principal items in UDC NIEO demands are as follows:[341] in trade — international commodity agreements to stabilize and raise prices; non-reciprocal reductions in rich-country barriers to UDC exports; expanded generalized trade preferences for UDC industrial products into Northern (DC) markets; more adjustment assistance to DC domestic industries to stimulate entry of UDC products; in aid -- DCs should meet U.N. targets, increase food/fuel emergency assistance, and renegotiate debt terms; in foreign investment -- greater access of UDCs to international capital markets; eliminating traditional legal restrictions on expropriation; rich-country cooperation in regulating MNCs so that greater benefits accrue to UDCs (e.g.lower technology costs; more job-creation; more in-UDC processing/ manufacturing); in technology transfers --DC support for UDC R&D; DC persuasion of their MNCs to adapt technology to local UDC needs; changes in patent laws; and in the international monetary system -- more UDC voice in management; more international resource allocations to UDCs e.g. IMF's SDRs; greater UDC say in international economic decision-making (e.g. within World Bank, IMF, GATT).

Such demands obviously entail more direct and indirect transfer of resources from rich nations to UDCs, a requirement justified in the eyes of UDC governments owing to "colonial injustices" and "neo-imperialism" which have been largely responsible for present inequities in global distribution.[342]

U.S. Response

As implicitly or explicitly noted in previous chapters, the ODC deems the official U.S. response to UDC demands inadequate. At the September, 1975, Special Session of the U.N.General Assembly, the U.S. stance had "softened" somewhat vis-a-vis an NIEO. Major concessionary proposals delivered by Secretary of State Kissinger included an IMF "development security fund" to help UDCs meet export shortfalls; generalized tariff preferences for UDC manufactures; $300 million to the new International Fund for Agricultural Development; measures stimulating private-capital flows to UDCs; doubling of U.S. agricultural aid; endorsement of multilateral grain stockpiling; renewed commitment to the World Bank's soft loan window; and an international code for foreign investment.[343] However, these proposals omit several key NIEO demands. For example, the U.S. has been unethusiastic about comprehensive commodity agreements, indexation of raw-material prices to rich-country manufactures, linking SDRs to development aid, international monetary reform, structural changes to international organizations, and aid for industrial growth and diversification in UDCs.[344]

This is not to say that the ODC expects U.S. agreement to all NIEO demands, since some of these may be too inefficient or of little benefit to poorest UDCs.[345] Nevertheless, the U.S. is warned not to ignore "legitimate" UDC grievances, given the grave potential for costly North-South economic and political conflicts. Conversely, if DCs are responsive to "legitimate" NIEO demands, then confrontation would yield to constructive negotiation by which new and mutually acceptable "rules of the game" would emerge, resulting in mutual benefits to rich and poor nations.[346] As earlier seen, these benefits include assured stable access of DCs to UDC raw materials, a favorable climate for foreign investment, and increased trade among nations.

In this regard, ODC writers repeatedly evoke the image and logic of a "global new deal" to justify an NIEO. Sewell[347] uses the analogies of Japan's pre-World War I and inter-war years' drive for international equity, and of the emergence of U.S. organized labor in the 20's and 30's to argue for DC concessions to UDCs for greater international wealth, participation and decision-making:

> In each of these cases, it became apparent, after much resistance by those in power, and after prolonged struggle and strife, that accomodating the reasonable demands of those on the outside for effective participation within the system paid both political and economic benefits to all concerned.

Likewise, ODC President Grant continually draws a parallel between UDCs striving for "equality of opportunity" in the international order, and that of various groups in U.S. society (e.g. industrial working-class winning collective bargaining rights and social security in the 30's and 40's; "major progress was achieved by Blacks in the 1950's and 1960's"). In Grant's estimation, "the United States has been enriched in the process. No matter how grudgingly given, the widening of opportunities has been of significant net benefit to American society--a society which has progressed toward historically unparalleled prosperity and opportunity for all."[348] And the ODC's and World Bank's "Third World" spokesman Mahbub ul Haq[349] predicts "the evolution of a New Deal at the international level (to be)...only a matter of time", for

> [350]the real bargaining power of the poor lies in their ability and willingness to disrupt the life-styles of the rich...the rich nations are likely to weigh carefully the costs of disruption against the costs of accomodation and to consider the fact that any conceivable cost of a New Deal will be a very small proportion of their future growth in an orderly, cooperative framework...a more harmonious world with expanding markets and a booming international economy.

Realities of Third World Solidarity

Indeed, such a responsive, flexible, willingness-to-negotiate stance is deemed all the more justified in light of the political realities behind the face of UDC solidarity vis-a-vis the NIEO. They indicate that rich-country fears about "radical" transformations ensuing from the NIEO push may have overrated UDC bargaining strength. For one thing, despite the "radical" tone of various UDC bloc statements[351], in practice many UDCs adopt moderate positions. Thus at the U.N. General Assembly's 7th Special Session(September,1975), those UDCs "least interested in scoring empty rhetorical victories and most interested in producing a resolution on international economic reforms acceptable" to DCs prevailed within the UDC bloc.[352] As Hansen[353] noted,

> a large majority of (UDCs) are in a weaker bargaining position than...generally...recognized and ... therefore more willing and anxious to continue with the process of moderate reforms--many of which

> can be formulated so as to benefit both developed and developing countries--than with pressing holy wars over irreconciliable conceptions of a just world order.

In part, the weaker bargaining strength of UDCs results from the fact that cartelization, in order to be successful, requires many prerequisites[354], and that "counter-exploitative" responses can be wielded by DCs, such as an U.S. food embargo.[355] Besides, economic conditions for many UDCs have worsened with recent food, fuel, and fertilizer prices.

Secondly, UDCs are not homogeneous in economic and political circumstances. Thus, for example, at UNCTAD II, African nations emphasized the need for rich-country preferences on agricultural goods while the more industrialized Latin American bloc favored preferences on manufactures. Also, some UDCs who were already specially treated were reluctant to have all UDCs equally treated.[356] Politically, regional and national aspirations for hegemony and individual identification constitute centrifugal forces upon UDC solidarity. For example, regional integration efforts have not been very successful owing to failure of "equitable" distribution schemes, while inter-state conflicts frequently break out.[357] Also, there are forces pulling more powerful (e.g.OPEC-rich) UDCs towards "embourgeouisement" within the Third World, as they vie for regional political and economic hegemony. And through their increased investments in DCs and reliance on Western industrial and military technology, OPEC nations "will become increasingly dependent upon the old rich for their future economic security. In effect, they will slowly become hostage to their own portfolios and development programs."[358]

Thirdly, the ODC observes a general lack of real zeal among UDCs in pursuing NIEO demands. Thus at the General Assembly's 7th Special Session, most UDCs rapidly moved from strict NIEO demands to acceptance of a U.S. "reformed" old international order.[359] Hansen notes the possibility that

> [360]Northern and Southern governmental and business groups (will)...quietly compromise on an updated version of old development strategies and to portray the compromise as a result of a reasonable negotiation. In fact, this outcome would probably satisfy most Northern and Southern governmental and business groups, which would prefer marginal changes in both perceptions and practice affecting the issues of social and economic and political stratification.

NIEO and Basic-Needs

This is not to imply, however, that the ODC condones such a "marginal" compromise attitude to NIEO issues. That would be contradictory to ODC's professed goals of meeting the basic-needs of poorest UDC majorities through "equitable" development rather than traditional "trickle-down" strategies. Thus a major task of those DC and UDC governments, institutions and individuals disatisfied with traditional strategies is to push for integrating NIEO reforms with basic-needs programs.[361]

Yet, it bears mentioning at at least two ODC writers concede no automatic linkage between NIEO reforms and basic-needs development. Hansen[362] maintains that

> Northerners who generally support efforts to assist the process of economic development should ponder seriously the degree to which a "new international economic order" will enhance development efforts. At the very least they should recognize that there is no simple one-to-one correlation between elements of a new international economic order and development prospects within developing countries, particularly if in their minds the conception of development is tied to benefiting the least privileged members--the forgotten 40 percent--of the Third and Fourth Worlds.... Developing countries whose governing elites are committed to domestic reforms aimed at increasing economic opportunities for the least privileged groups in their societies could use all the potential benefits of a "new international economic order" to enhance such development efforts. On the other hand, however, (UDCs) governed by elites less interested in development strategies and economic reforms supportive of the (poor masses) ...could channel all the benefits of international economic reforms into strengthening inequitable patterns of development and into other programs (e.g. certain foreign policies) which enhance present forms of social stratification within their states and which experiment with new forms of regional stratification abroad.

Likewise, Haq[363] argues that in UDCs with inequitable social orders, any NIEO benefits will go only to a privileged minority. "Morever, when the international and national orders are dominated by privileged minorities, the possibilities for a tacit collusion between their natural interests are quite unlimited." Thus Haq calls upon "developing nations" to reform their national orders in order to press convincingly their case for international reform.

Certainly, the above qualifies as a critical insight. It has not, however, dampened ODC's overall enthusiasm for the NIEO. More importantly, even Hansen and Haq themselves remain extremely vague about the "hows" of internal reforms required to link the NIEO to basic-needs development. For example, Haq[364] states that "it is naive to hope that new development styles and strategies can be implemented if in the Third World countries alliances are built up of landlords, industrialists, bureaucracies, the military, and other vested interests." But precisely "who" then will undertake such "new" development strategies and exactly "how" are significant unknowns in Haq's analysis. Such ommissions, as seen in the chapter on Liberation and Revolutionary Socialism, are only to be expected from the basically un-radical nature of ODC ideology.

NIEO: Summary

The ODC concedes that the traditional unwillingness of DCs to alter existing rules of the international economic system to meet UDC-perceived "development" needs has helped built up UDC discontents and frustations. Channeled through UDC solidarity institutions such as the "Group of 77" at UNCTAD and the non-aligned nations' movement, such discontent culminated in the NIEO Declaration at the 1974 U.N. 6th Special Session. NIEO demands include reforms in international trading regimes (e.g. higher, stable commodity prices, trade preferences for UDC goods), in foreign aid (e.g. greater amounts, debt rescheduling), in foreign investment (e.g. regulation of MNCs for greater "development" impact), in technology transfers (e.g. more appropriate technology), and in the international monetary system (e.g.

more decision-making power for UDCs).

Though in 1975 the U.S. did make some concessionary proposals to meet NIEO demands, the ODC regards the U.S. response to be inadequate. Thus the U.S. has been unenthusiastic about comprehensive commodity agreements, improved trade terms for UDCs, international monetary reform and more aid for UDC industrial diversification. While agreeing that not necessarily all NIEO demands should be met (for efficiency reasons), the ODC warns against ignoring of legitimate UDC grievances. As a kind of "global new deal", an NIEO obtained by constructive renegotiation of international ground-rules can promote world prosperity and peace much as the U.S. New Deal of the 30's had "achieved" for the U.S. economy. Besides, UDC "solidarity" is seen as really not that radical nor unified. Most UDCs have economically weak bargaining positions and seek only "moderate" reforms. Also, UDCs are not homogeneous in perceived political and economic needs or aspirations, while economically powerful nations like OPEC UDCs are becoming ever more dependent on DCs via investments of petrodollars in DC economies.

The ODC does, however, note that an NIEO may not necessarily result in the meeting of mass basic-needs in UDCs. Entrenched elites could merely use the fruits of NIEO reforms to buttress existing inequitable "development" patterns. But despite this potentially critical insight, the overall thrust of ODC ideology is to remain very optimistic about the "development" impact of a new international economic order, and to skirt around the problem of internal structural transformation that is admitted as requisite to an NIEO-basic needs linkage.

EDUCATION IN UDCs AND "DEVELOPMENT EDUCATION FOR AMERICANS"

In its voluminous literature, the ODC has very little to say on the educational system perse of UDCs. Not only are there no educationist experts among ODC's permanent or visiting fellows, but to date no ODC Development Paper or Communique has been published on UDC schooling. This lack of direct concern with education can be reasonably attributed to (a) the ODC's natural prioritization of political-economic issues as basic to UDC development problems, and secondarily (b)the ready availability of think-tank policy-formation on educational topics via the International Council for Educational Development(ICED), which is intimately linked to the ODC through ICED's President James Perkins. As already noted, Perkins is one of ODC's founding elites.

In contrast, given its role as a public- as well as elite-oriented policy-planning group, the ODC is quite concerned itself about "development education" for Americans (i.e. both informal and formal education on UDC issues within the ODC framework). Thus more space is accorded to this item.

UDC Educational Issues

One rare direct comment by an ODC staff-member on UDC education comes from Brown[365], who stated that

> admission (to the educational system) based on open examinations rather than family connections help ensure equality of opportunity, and have revolutionary consequences for both economic and social development.

He also recommended the use of educational technologies (e.g. TVs) in UDCs. Both statement and prescription lack, however, either theoretical elaboration or empirical substantiation.

The major instance of ODC-endorsed opinion on UDC education is found in the previously cited ILO Report on the 1976 World Employment Conference.[366] The report does admit one major defect of existing UDC educational systems to be the misplaced faith that more education and training will automatically increase worker productivity and hence total income or equality of income distribution. In practice, what happens is that education merely serves as a screening device for sorting out job applicants.[367]

> Many existing educational systems...are largely focussed on a continuous education process so that, although few students will ever complete this process, the knowledge transmitted, the context in which learning and analysis are presented and the values and goals embodied in the system at all levels are really aimed at the prospective university graduate rather than at the majority who complete only the primary or secondary phases.

While this criticism imparts a "critical"-perspective flavor, unfortunately there is no extended analysis or theoretical-empirical elaboration which would have required situating the educational system within a dependency-underdevelopment framework. Instead, what follows is a terse list of recommended changes for UDC education. These include: improving quantity and quality of teachers; promoting nonformal and recurrent systems; changes in curricula and in examination-selection systems; supporting mass adult education; de-urbanizing rural education; and ensuring "that any educational programme of any level or kind is complete and of value in itself, instead of being mainly oriented to preparation for a subsequent course."[368] Here again there is the absence of any significant analysis that would clarify the whys and hows of these diverse proposals for change and even more importantly, the necessary prelude transformations for basic educational change to occur.[369]

A final education issue the ILO Report raises is that of Third World brain drain to the First World.[370] Several economic incentives and dis-incentives are suggested by the study to regulate immigration flows and so reduce the drain. Thus sending countries should exclude highly-skilled and semi-skilled workers in labor-short sectors from publicly-assisted migration schemes, find domestic vacancies for prospective migrants at levels appropriate to their skills, and provide various incentives (e.g.housing, job security) for suitably skilled workers to return home for the benefit of their countries. Conversely, receiving nations should minimize their preference for highly qualified migrants and provide incentives for UDC migrants to return home. Apart from the question of just how feasible such proposals might be, more importantly the ILO Report fails to deal with the basic roots of the brain-drain problem--namely, an educational system replete with contradictions and situated within the dependent political-economic structures and relations of underdevelopment.

U.S Public Opinion Survey

With regard to ODC's strong concern over "development education" for Americans, one of its early tactics was a survey in 1972 of U.S. public opinion on "world poverty and development." In general, the survey showed a "lack of knowledge" by Americans on such issues and particularly on the realities of interdependence,[371] a result which therefore justifies ODC's efforts in public "development education".

In the context of the present analysis, what is most relevant are not the actual survey opinion results, but rather the questionnaire format that by its style and content of "asking" serves in itself as an ideologically non-neutral instrument. That is, in the seemingly "innocent" task of soliciting freely-expressed opinions from Americans, the ODC is in fact exercising a pedagogical function by setting a frame of reference for U.S. people's thinking (or non-thinking) about the Third World, whether by commission or ommission.

To begin with, by merely asking such questions[373] as

-would you say the commitment of the United States government to help solve the problems of hunger and poverty in the world is very strong,fairly.....
-what does the word "development" mean to you?
-what do the words foreign aid mean to you?
-would you say you are strongly in favor...or strongly against the United States giving assistance to underdeveloped countries?
-what are some of the main characteristics of an underdeveloped country?,

the ODC is clearly doing nothing more than collecting dominant uncritical perceptions of the U.S. masses -- without providing any critical theory or evidence that could raise consciousness. And in feeding back uncritically those opinions in its Survey report, the ODC essentially helps reinforce mainstream conceptions of Third World underdevlopment. Also, such information collected has manipulative value.

Even where questions present answers to choose from, they fail to present a coherent worldview and are so insubstantial in content or explanation that even possibly potentially critical items would hardly be realized as such. For example, the list of "world problems" given to respondents to judge in terms of seriousness includes such items as "too much automation", "socialism", "communism", "capitalism", "trade barriers", "illiteracy", "over-population", "lack of adequate housing", "corrupt government", "corporate power", "pollution", and "hunger and poverty".[374] But without the explanatory framework that ties hunger, poverty, overpopulation and illiteracy to corrupt government and imperialist interests, respondents would be unlikely to be critically enlightened by such a question.

In another instance, among a given list, the statement "the United States exploits poor countries just to get what it needs" is unelaborated either in terms of which particular classes of the U.S. benefits from UDCs, or what "exploitation" really means. Simultaneously, in the same list, we find statements like "our government should do more to encourage businessmen to invest in underdeveloped countries" and "if we do not help other countries, the Communists will take them over."[375]

In sum, the ODC's public opinion survey is neither critical in intent or consequence. Rather, it serves to reinforce mainstream ideological conceptions and perceptions of Third World underdevelopment among U.S. masses. Furthermore, its results are used to provide justification for the ODC's strategy of interdependence. For example, the survey showed that "two out of three Americans favor a freer U.S. trade policy with underdeveloped countries as an inducement to the development of those countries, if adequate adjustment assistance provisions are written into U.S. trade legislation."[376] -- an opinion supportive of ODC's stance on trade liberalization and adjustment assistance measures. As Sewell & Paolillo[377] summarized, the survey indicated that

> Americans would support measures helpful to poor countries if they saw their own well-being linked with the development of those countries and if the interests of the poor abroad were understood as not conflicting with domestic needs.

This is precisely the enlightened self-interest rationale behind ODC's interdependence strategy.

Community Actions

A second reflection of ODC's brand of "development education" is seen in its communiques describing U.S. community actions on behalf of Third World "development". Thus there is praise for the "International Walks for Development" that occur every year across the country under the Young World Development Organization.[378] In 1970, for example, 135 such walks raised $2.5 million of which 42½ percent went to international poverty projects. Objectives for the 1971 walks included to give Americans "an opportunity to demonstrate their concern for the world's poor in a direct people-to-people way" and "to make a public issue of the need for a sustained national effort to combat hunger and poverty around the world."[379] Unimbued with the critical knowledge of root causes of UDC underdevelopment, though, such walks may be good for liberal consciences but hardly of use for raising critical consciousness.

In another Communique, the ODC records the views of a Youth Task Force for International Development,[380] which comprised twenty students from Washington campuses organized in 1970 to solicit U.S. youth opinion on international development. Though the Conference did make some criticisms of MNC exploitation of poor nations, of U.S. governmental efforts to buy allies via aid, and of racist regimes in Southern Africa, its basic position soon reduces to the

ODC's stance in counseling more "interdependence" measures. These include trade liberalization and preferences for UDC products, internal adjustment policies, increased U.S. aid, international regulatory structures for foreign investment and joint MNC-UDC government incentives to stabilize investment interests. And despite some initial harsh words for MNC activities, the Conference is clearly for more private investment when it urges that

> [381]the U.S. government must continually increase incentives to private businesses to encourage investment of capital and know-how in the developing countries. Such incentives should take the form of guarantees of private sector investments, and cooperation with business in pre-investment surveys and fact-finding teams, including cost-sharing.

In sum, by promoting the activities of Young World Development or the Youth Task Force on International Development, and not promoting those of critically-oriented development-education actions, the ODC sets a particular "desirable" action-mode for U.S. people concerned about the Third World. It is an action-mode that fits in with the ODC's concepts of global interdependence, and engenders no critical praxis that could be of any threat to First or Third World ruling-classes.

School Resource Text

A third component of ODC's "development education" for Americans is a 1974-issued 560-page resource book, which in ODC President Grant's words, was

> [382]conceived and designed in response to the need for usable, comprehensive materials to help teachers immediately integrate studies of global

> development and interdependence into existing courses...We hope this syllabus will provide a framework for understanding the United States and developing countries in an interdependent world.

In the author's opinion, "a student of American society should understand the historical causes of these problems (of global poverty and development) as well as their consequences and begin to think constructively about some possible solutions."[383] Understandably, what constitute "causes" and "solutions" in this syllabus lead the student inevitably into the ODC's conceptual territory.

Early in the book, teachers are told that "the theme of increasing global interdependence provides a unifying concept for a course in world history."[384] The origins of international economic inequalities are first freely admitted. However, there is no analysis of the internal-international hegemonic connections which would explain underdevelopment, and from there on, the familiar ODC concepts, messages, and solutions are liberally served. Foreign aid is said to have made significant contributions to UDC socio-economic development.[385] Singapore, South Korea, and Taiwan are praised as successful examples of UDC development because "more equitable distribution" of benefits, land redistribution reforms, labor-intensive industrialization, and efficient family-planning programs, while China and Cuba are barely mentioned in an aside.[386]

Governments, both rich and poor, are regarded as prime movers for resolving problems of income disparities, joblessness, and unequal participation by poor majorities.[387] For example, in the chapter on unemployment, Millar uses a case-study of an Indian farmer in Guatemala meeting an agricultural extension officer. Loaned money to buy fertilizers and afforded opportunities to study new skills, this farmer and his fellow villagers were able to improve yields and gain a "new outlook in life."[388] This example "demonstrates some of the new personal and social rewards and opportunities which education offers." Also recommended for this topic was a film on barriadas in Lima, Peru, in which

> [389]the industriousness and strength of the poor is protrayed, as they, together with the Peruvian government , work to transform the barriadas into a decent community in which to live.

And in the U.S. context, students are given the following advice on what they can do about world economic problems:[390]

> Through all means available to you, urge your government representatives to help provide legislation...to make available at least, 1 % of our gross national product for developing countries to speed their development and thus help people to help themselves. Ask the officers and directors of companies in which you own stock to invest in projects in developing nations. Ask them to reinvest as much profit as possible within such countries, so that the long-range interests of both company and people are served.

Furthermore, albeit somewhat unusual for ODC literature,use is made of such mainstream modernization concepts as traditional values obstructing development, psychological stress from modernity-tradition conflicts, communications speed-up, and "political development" a' la the Princeton scholars, to characterize the "development" process.[391] On the population issue, the ODC stance is given, viz population pressures need curbing, but control requires rises in mass living standards.[392] Vis-a-vis food, Millar does mention the need for land reforms, improved rural health, increased rural joblessness, and Green Revolution inequities. But again, the usual ODC formulas apply[393]--more credit etc. for small farmers, and still a general faith in the Green Revolution, by which "incomes and living standards of millions of rural families in poor countries have been raised." On the unemployment crisis, the book repeats ODC's warning of social discontent if it is left unresolved. Ergo, more DC aid, trade, and MNC labor-intensive investments.[394]

In sum, the ODC's resource book for educators attempts to lead high-school teachers and students into the "interdependence" frame of reference for theorizing-and-practice about underdevelopment issues. Though here and there the odd "radical" statement is made[395], the dominant theme is one of global reformism in order to forestall revolutionary upheavals, and thus further integration and consolidation of the world capitalist system. Table 35 lists some model questions and answers provided by Millar to her teacher-readers, which underscore the book's modernization-interdependence thrust.[396]

Finally, the some 340 pages of readings on "global poverty and development", included in the resource book,

Table 35 : Model Questions and Answers in ODC's Resource Book for Educators

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Q. "Who is to blame for poverty in the U.S.? In poor nations ?"

A. "It is impossible to put all the responsibility for poverty situations in any one group or agency. Many factors operate against the poor to help them in their situation. Discrimination and oppression, poor government planning or neglect, rising population problems, as well as the environment or natural disasters work to keep people poor" (Millar,1974:43)

Q. "What conditions or factors seem to make some countries more developed than others? (Or conversely, what prevents some countries from developing?)"

A. "Accessibility to natural resources, a highly trained and educated citizenry, access to capital and technology, favorable trade relationships, a united and peaceful government, a low rate of population growth, and cultural traditions which do not inhibit certain types of beliefs or activities are factors that contribute to development" (Millar,1974:54).

Q. "Why do countries want to modernize?"

A. "Countries choose to develop or modernize for many reasons. Usually leaders in underdeveloped countries wish to lead their nations to economic prosperity and technical modernity. They also seek to alter existing power structures and influence the international system. Such specific changes as improved medical care, education, and generally higher standards of living are benefits of modernization" (Millar,1974:78).

Q. "What are some of the consequences of growing unemployment?"

A. "The most immediate personal consequence of unemployment is poverty and human misery...Morever, frustation and discontent...can lead to social disturbances and violence. This could ultimately lead to revolution...As the U.S. becomes more interrelated with the developing countries... it is in our own interest to help these countries seek alternative employment strategies." (Millar,1974:153).

Q. "What accounts for... wealth (and) poverty? "

A. "Many factors...including geographical location, natural resources, sociocultural traditions. In today's world, however,perhaps the two factors that affect a nation's progress most are its population growth rate and its access to capital. The richer countries have, for the most part, reached a fairly stable rate of population growth *and* also hold most of the capital in the world

Table 35 (continued)

and control the international economic system. The poor countries on the other hand, have very high rates of population growth (which offsets most of their economic and social progress) and for various reasons are lacking sufficient access to the international economic system and monetary resources to make such progress themselves" (Millar, 1974:70)

Q. "Why would a developing country want to have a foreign corporation doing business within its borders rather than a domestic firm? "

A. "The large (MNCs) bring needed capital resources, technology, and equipment, and trained personnel to the poorer countries which can, if used properly, help them to develop" (Millar, 1974:181).

---

need only a few comments. Not unexpectedly, Millar has liberally sprinkled ODC writings throughout. Apart from the occasional critically-sounding extract or two[397], the remaining readings are steeped in liberal-reformist language from such private institutions as the Peace Corps, OxFam, Foreign Policy Association, and World Council of Churches, from mainstream media like the Washington Post, Wall Street Journal, Christian Science Monitor and Business Week, from agencies like the World Bank, USAID, and FAO, from the Pearson Aid Commission, and from Toffler of "Future Shock" fame. All these readings sustain well ODC's "development education" ideology, namely to convince the U.S. public that global interdependence concepts provide the explanations and solutions for Third World underdevelopment.

UDC Education and "Development Education" for Americans: Summary

On the topic of education in UDCs, the ODC has relatively little to say itself, and what may be considered as ODC-sponsored opinion on the topic comes from the ILO's 1976 World Employment Conference Report. In its brief analysis of educational issues, the ILO concedes the bias in UDC educational systems towards using the school as merely a screening device for sorting out job applicants. Education thus becomes geared to the prospective university graduate rather than the majority primary or secondary-school leaver. The ILO proposals for reform, however, such as de-urbanizing rural education and promoting nonformal education, are made outside any critical, substantial analysis of the political economy of dependency that would clarify the hows, whys, and wider structural prerequisites for any educational changes. A similar theoretical deficiency applies to the ILO's analysis of and proposals to ameliorate UDC brain-drain to DCs.

With regard to "development education" for Americans, the ODC does invest considerable energy and attention owing to its status as a public-oriented policy-planning group. It is seen that even an ostensibly "fact-finding" survey of U.S. public-opinion on "development" issues embodies in its style and content the preferred ODC framework for thinking about the Third World. Such a survey serves to reinforce mainstream ideological conceptions and perceptions of UDC problems among U.S. masses. It is further used to provide justification for ODC's interdependence strategy. Likewise, the ODC publicizes "community actions" of a mode that endorses interdependence concepts and fails to raise critical consciousness. Finally, the ODC's school resource textbook in "development education" is designed to lead students into ODC conceptual territory and away from critical analysis. Though the occasional out-of-context radical idea is mentioned or cited, the dominant theme in the resource text is that of global and UDC reformism in order to preempt revolutionary upheavals, and thus further integration of UDCs into the world capitalist system.

Chapter 11

ON DEPENDENCY, LIBERATION AND REVOLUTIONARY SOCIALISM

"DEPENDENCY"

Though the bulk of ODC ideology is devoted to its basic theme of "interdependence", the Council has also deemed it fit to respond to critical analyses of Third World underdevelopment which focus around concepts of "dependency". As earlier noted, it is as important to analyze ODC's "understanding" of concepts and theories outside its preferred paradigm as that paradigm itself. The discussion below of ODC's considerations on "dependency" helps bring into even sharper focus the non- or anti-radical nature of the bulk of ODC ideology.

On the Radical Critique of Aid

To begin with, an early ODC communique recorded (reasonably objectively) the radical critique of aid as only perpetuating financial and political dependency of UDCs on the First World.[398] The global economy, historically serving DC industrialization needs, continues to ensure DC prosperity via unequal trade, MNC dominance, and band-aid foreign assistance. As cultural imperialism spreads ideologies of materialism and consumerism, economic expansion merely increases domination of UDC ruling oligarchies. Fundamental internal structural changes are therefore prerequisites for breaking out of dependency and to develop.

Jackson & Kimmins[399], however, are quick to restate the non-radical position of the ODC:

> In one important respect, the program of the radical critics coincides with that emerging in recent months from the Development Establishment itself: namely, the new questioning--if not outright rejection--of the view that rapid economic growth will produce social and economic benefits that will "trickle down" to be shared by all....
>
> Many people engaged in development today concur implicitly in one of the central points of the radical critique; that there must be fundamental changes within societies, and in the international economic structure itself.

As preceding discussion has shown and the ensuing analysis will confirm, what "Development Establishment" people like ODC experts regard as "fundamental changes" are not as basic as would be regarded as necessary by radical analysts.

A Debate with Radicals

Also in 1971, the ODC allowed (a privilege not repeated since then) well-known radical scholars to express their views under ODC auspices--namely a Development Paper by Richard Barnet[400] entitled "Can the United States Promote Foreign Development? " A brief supportive comment was provided by Marxist economist Stephen Hymer. In his preface to Barnet's paper. ODC President Grant stated that "we at the Overseas Development Council believe that we should promote the widest possible discussion " of assumptions and activities of U.S. MNCs and government in UDCs. Interestingly, however, ODC literature has since become rather clean of radical-left participation.[401]

Barnet's analysis outlines lucidly the critical paradigm on UDC underdevelopment and possibilities for development. DCs helped to create the historical roots of UDC dependency, and continue to profit from the rich-poor gap.[402] Within most UDCs, ruling military dictators, oligarchies, and large landholders are only concerned with entrenching their power, wealth and privilges.[403] U.S. aid, with its substantial military component, primarily buttresses reactionary regimes to maintain "stability" and permit "orderly, controlled growth." This "development" model fosters UDC debt and MNC investment, promotes DC economic interests via ostensibly "helping" aid-trade policies, and stifles revolutionary pressures from below.[404] And imposed upon unequal agrarian structures, Green Revolution techniques merely aggravate exploitation and landlessness.[405]

Such critical analysis leads Barnet to policy implications not typically expressed by ODC writers (with the partial exception of Denis Goulet). Thus the U.S. should not be hostile to UDC expressions of geniune autonomy and independence, including revolutionary socialist experiments like China and Cuba. It should abandon preference for repressive capitalist regimes and private enterprise. U.S. private investment in UDCs should be discouraged except "under strictly controlled conditions" that promote host-nation autonomy. UDC debts to the U.S. should be cancelled, U.S. aid untied, and U.S.-UDC trade equalized.[406]

Though a few of the latter policy shifts (albeit in milder form) may be found in ODC ideology, Barnet's change-strategy certainly requires far more than global or internal reformism. Barnet's critical perspective also entails an awareness of the necessity for pre-requisite basic changes within the U.S. social structure. "Appealing to peoples' moral feelings", as liberalists like to argue, is naive. Rather, "heroic political battles" in the U.S. and major readjustments of the American economy--to support new, more humane, rational domestic development--will be necessary.[407] Allowed a brief comment on Barnet's analysis, Marxist economist Stephen Hymer[408] voices general support, but adds more stress on the necessity of drastic changes within the U.S. (viz, transcending the profit-maximizing corporate system) if the U.S. is to promote UDC development.

Not surprisingly, however, the ODC also invited its typical experts to comment on Barnet's analysis --a privilege not extended to radical analysts when ODC ideology is being spread. The first commentary came from a Vice-President of Robert R.Nathan Associates, an elite consulting firm. While conceding that military aid can further entrench privileged elites and repress revolution, Jacobson[409] argues that the picture is more mixed than Barnet paints:

> Interestingly, South Korea has had fairly effective land reform. And its fierce rate of economic growth has undoubtedly expanded opportunities in the non-agricultural sector and brought improved standards of living to large elements of the population.

Jacobson favors gradual reform, since "egalitarianism" or revolution may not bring "development"-- "Cuba may be more egalitarian but it is not necessarily better developed."[410]

The poor in UDCs are better off with than without the Green Revolution. U.S. investment does not always exploit, and in fact have fostered more development today.[411] Thus revolution is "not the only answer" for all UDCs.[412]

> Improve the quality and quantity of our aid; free our trade policies; push more actively for reform; do not run from governments simply because they appear radicalized; hold back investment guarantees from investments which seem rapacious. But do not doctrinairely assume that the revolutionary society is the answer to the development problem.

Jacobson's anti-critical commentary is then backed up by ODC Fellow Hunter.[413] While agreeing with Barnet's criticisms of excessive militarism in U.S. foreign policy, of MNC activities and of inequalities in DC-UDC bargaining-power, Hunter argues that Barnet's analysis is "overdrawn". Barnet, according to Hunter[414],

> has enshrined the value of 'equality' above all others, without indicated how any society will then be able to provide the incentives and organization needed to produce goods to serve even the most egalitarian of social goals.

In sum, Hunter argues, U.S. self-interests do not necessarily exclude benefits to UDCs from aid or investment.

"Beyond Dependency"

The debate engendered by Barnet's radical analysis clearly exposes the anti-critical spirit of ODC ideology. Also, the necessity to have anti-critical commentaries published along with Barnet's paper indicates ODC's care not to be seen as sympathetic to the critical paradigm. Since this 1971 debate, however, the likes of critical scholars like Barnet or Hymer have not been invited again to write under ODC auspices. "Dependency", when once more discussed, appears in emasculated or distorted form and safely integrated into ODC's "interdependence" ideology.

This is most evident in the ODC's collection of essays entitled "Beyond Dependency:The Developing World Speaks Out"[415], which contains several papers by invited UDC experts aimed at contributing

> to increased understanding and a greater appreciation in the United States and other industrialized nations of the problems, aspirations and objectives of the developing countries.

However, before the UDC-experts' essays are analyzed, it is illuminative to look first at ODC Fellow Erb's understanding of "dependency" in his contribution to the collection.

ODC defines dependency. Citing the works of radical scholars like Girvan, Frank, Santos and Bodenheimer as representative, Erb[417] described dependency theory as follows:

> the theory of dependency...attributes the underdevelopment of Third World economies to the predominance of external influences transmitted to poor countries by the international capitalist system. Dependency theory emphasizes the international power relationships that underlie the functioning of the world economy. It sees internal inequities as largely a result of the impact of external factors. Consumption patterns, for example, are viewed as stemming from high technology, production of luxury goods, and from the creation of a class in developing nations that identifies with foreign interests rather than with its own society's needs.

But having so defined "dependency theory", it becomes easy for Erb[418] to depreciate its validity. Dependency theory is said to "exaggerate the role of external influences and consequently downplays the internal obstacles to the development of more equitable domestic economic, social and political systems." Our ODC expert thus conveniently ignores the internal class-relationships of exploitation and hegemony that are an integral component of radical dependency theory, and appropriates for himself the credit of emphasizing such "internal obstacles."

As for "external influences", Erb[419] admits to DC overt and covert politico-military interventions in UDCs, and to DC self-serving dominance of international economic institutions (e.g. IMF, World Bank, GATT). But these influences are not termed as "imperialism", as would be in radical dependency theory. Rather, Erb attributes these influences to the root cause of "First World paternalism"! DCs apparently have been too "paternalistic" to UDC demands. Ergo, to overcome dependency, "paternalism" should be replaced by "accomodation", as earlier described vis-a-vis ODC's interdependence principle. Thus by a process of gross distortion of radical dependency concepts, our ODC expert eventually arrives at the ODC's preferred interdependence strategy--which, as implied in the collection's title, will apparently lead UDCs "beyond dependency."

UDC spokespersons. As for the UDC experts chosen to represent UDC "aspirations". we find a mixture concentrated in non-critical analysis. Even where "radicalism" is shown, it lacks theoretical solidity and fails to give a holistic view of dependency. For example, Parmar[420] properly criticizes growth-only development theory, MNC profit (never people) oriented motivations, and the sham of interdependence unless DC production-consumption systems also change. But though he calls for "radical social transformations" within UDCs, Parmar fails to give any concrete analysis of class relations or of the international-internal hegemonic nexus that would clarify the whys and hows of such transformation. Likewise, Vaitsos[421] --while presenting good evidence on exploitative and distortive effects of MNCs-- only vaguely talks about regulatory actions and "political will" of host-UDCs to ensure that foreign investments benefit the host economy. Exactly how and why such "will" will be generated are never discussed and obviously could not be--given the absence of concrete class-analysis.

The remaining "UDC-written" essays in the collection reflect little understanding of critical dependency theory and indeed suggest policy implications which will hardly take UDCs "beyond dependency". Rey[422] fails to clarify the political-economic bases of UDC population growth and urges DCs to use "moral persuasion" in fostering control in UDCs. Traore[423], while critical of UDC government officials more concerned with self-luxury consumption than mass needs, upholds as an action model "cooperative village pools" organized by an Upper Volta Regional Agency. How such cooperatives can eradicate the social structure of elite dominance is, however, not discussed. Pena[424], while indignant about MNC interference in UDC internal affairs, is hopeful that UDCs can integrate MNCs beneficially into their national economies. And although advocating "non-alignment of UDCs", less external dependency, and more international equality, Soedjatmoko[425]--a chief post-Sukarno technocrat--says nothing about the internal structures of class exploitation (so deeply pervasive in his own under-developed Indonesian society) that must be eradicated for development and true non-alignment to occur. Indeed, ~~in another~~ ODC book, Soedjatmoko belies his "nonalignment" posture by deeming as crucial the role of aid in Southeast Asian "development" for, inter alia, withstanding external and internal "security threats".[426]

In sum, the Third World experts chosen by the ODC to reflect UDC "aspirations" scarcely say anything that could help UDCs move "beyond dependency". Besides this collection of essays, two other instances of UDC spokespersons' contribution to ODC literature are no less defective. Thus at a joint ODC-Kettering Foundation Conference, a group of UDC government officials, academics, and professionals argued for more UDC power in an NIEO and stated that

> [427]many leaders in the UDCs...(are now) convinced that basic changes in their economic and social systems (e.g. greater social justice, popular participation, income distribution) are more important than quantitative increases in external resource transfers.

However, no evidence or analysis is presented to substantiate such rhetorical claims.

Also, for its 1975 yearbook, the ODC invited a "distinguished Kenyan (now U.S.) scholar"--Ali Mazrui--to contribute an "UDC" perspective. In his paper, Mazrui[428] categorized relations between nations in terms of various "interdependence" stages. The "primitive" stage was followed (circa 1900-1975) by a "feudo-imperial" stage embracing characteristics of feudalism and imperialism based on hierarchies and inequalities. The technological revolution, which fostered Western egalitarianism, simultaneously initiated DC-UDC power/income disparities and thence sustained "feudo-imperial interdependence". Mazrui argues that any strategy of disengagement from the international capitalist system is an "elusive dream", citing Russia and China as "socialist giants" which have been strengthening links with international capitalism. He then suggests a strategy of "Southern(UDC) counter-penetration", led by OPEC UDCs, given their economic leverage,and fostered by increased "organic solidarity" among UDCs. This strategy would then usher in a new stage of interdependence based on "symmetry", "egalitarian ethics", and "reciprocal vulnerability". It is in the First World's enlightened self-interest to foster the end of feudo-imperial interdependence for "geniune symmetrical interdependence". What happens within UDCs under such "symmetrical interdependence" is, however, an unknown in Mazrui's analysis. Indeed, for a "distinguished scholar", Mazrui presents a curiously confusing, ahistorical, and untheoretical understanding of UDC dependency.

Interreligious Consultation on Dependency

As part of its efforts to educate the wider U.S. public in its development ideology, the ODC sponsored in 1974 (with support from the Aspen Institute for Humanistic Studies and the Johnson Foundation) an Interreligious Consultation on Global Justice. About one hundred American religious leaders attended. Naturally, participants were first given a substantial dose of ODC's "global interdependence" strategy-- ODC President Grant pushed his "new" equity-oriented development theory[429]; Brown warned about global resource scarcities[430]; and Sri Lanka's Ambassador to the U.S. repeated ODC's call for more U.S. aid to UDCs.[431]

It was evident from the Consultation's concluding "statement of conscience", however, that at least some of the participating church-people favored radical dependency concepts in contrast to those who are supportive of global interdependence strategies. The statement summarized these two postures as follows:[432]

> The first posture describes the crisis as an unfortunate imbalance between the richer and the poorer nations, classes and social groups...retains a basic optimisms about possible improvements and evolution of present forms of capitalism...through ...international economic organizations, multinational corporations etc.....with minimal threat to the stability of the world order.
>
> The second posture describes (the crisis)...as the result of the unjust concentration of power... in the hands of a rich elite within and across nation-states...(and) reform projects of the first model...do not solve the basic problem.....this view therefore prefers to explore new forms of socialism ...qualitatively different from those historical models disfigured by political totalitarianism...(and)

> which would (diffuse) the present monopoly of power ...broadly across international society. From this point of view, the poor themselves become the free agents of their own liberation.

Reflecting this second radical posture in his address to the Consultation, the Archbishop of Panama stated that too often religious people retrench from professed faith in "justice" and end up giving "theological imperatives for the status quo."[433]

Little appear though in the various Consultation workshops' reports to suggest that "liberation theology" was a dominant influence among participants.[434] Thus the workshop on "Government Policy and Legislative Action" urged U.S. religious organizations to lobby for more U.S. aid. Even the session on "Corporate Responsibility and Consumer Action" --during which MNC activities were discussed--was couched in language non-radical in tone and liberally vague about "new economic, social and political arrangements" supportive of greater "social justice".

Other workshops consistently urged the theme of greater Christian awareness of global injustices, but failed to utilize critical political-economic theory that is an integral aspect of "liberation theology". ODC Chairman Hesburgh[435], in summarizing follow-up consequences of the Aspen Consultation, mentioned approvingly the actions of various Church Councils in petitioning U.S. government leaders for more food aid. He thus confirmed the essentially non-radical stance of U.S. church leadership vis-a-vis Third World dependency and their general support of ODC ideology.

Private Voluntary Aid and "Conscientization"

In his analysis of PVO aid, ODC Fellow Sommer[436] conceded the frequent failure of aid efforts to recognize the need for political-economic structural change in favor of UDC masses. He even admitted to a legitimate definition of violence as a "continuing structural condition of life and society...that enables some people to be oppressed by others through the erection and maintenance of social, economic, political and even spiritual and cultural barriers."[437] Many PVOs, however,

> [438]have tended to fight this global structural violence with charity, or at least with forms of assistance that may result in perpetuating dependency rather than encouraging self-reliance, local self-determination, and structural peace.

Faced with this vaguely articulated necessity for "structural change", our ODC PVO-aid expert entertains the potentialities of "consciousness raising" a' la Paulo Freire[439]--the exiled radical Brazilian educationist well known for his literacy pedagogy among Brazil's masses until he was expelled by the 1964 military junta. However, it is obvious by the end of Sommer's considerations that the potential radicalism of "conscientization" has been safely contained. For example, Sommer cites the situation of Latin American landholding inequities as suited for conscientization efforts.[440]

In Northeast Brazil, for example, government

> policies emphasizing GNP growth and export expansion have led to increasing amounts of land being devoted to large sugar plantations and cattle-ranches, with the poor either being forced off the land altogether (in which case they generally swell the numbers of urban unemployed) or being forced into sharecropper roles or into paying higher prices for the use of land. Efforts at consciousness-raising would help these people understand what is happening to them and what is behind these changes, rather than blindly accepting them as fate.

However, practically in the same breath, Sommer argues that Freire's methodology does not aim to explicitly incite rebellion: "this would be tantamount to using poor people as fodder for someone else's revolution."[441] Rather, "consciousness-raising calls for a subtle self-questioning process by which alternative causes of society and action can be explored." Most importantly, it does not necessarily lead to "direct political activity", for other logical outgrowths (e.g. decisions to dig wells) are equally likely.[442]

According to Sommer,[443]

> the consciousness-raising approach is now very much at the forefront of development strategies and discussions, and practical applications are being attempted in Tanzania, Guinea-Bissau, Thailand, Bangladesh, India, as well as in Latin America and no doubt in other places.

While USAID would be unlikely to fund consciousness-raising programs with their "destabilizing" connotations, U.S. PVOs can indirectly support such activities, without waving the "flag of revolution" or entering into "partisan politics."[444] Examples of such support include the Asia Foundation's funding of training of Thai buddhist monks for local development activities,[445] and a Christian service group in Calcutta which tries to help slum people articulate local issues and acquire skills for organizing to demand legal rights.[446] Last but not least, Sommer even attributes a conscientization role to Western church schools in colonial UDCs, for training many new UDC leaders to press for "structural" change.[447]

It is obvious that "consciousness-raising", even though Freire serves as the exemplary proponent, eventually means for Sommer something which Freire himself would no doubt reject as real conscientization. In Sommer's hands the concept has become emasculated, depoliticized, and domesticated. Consequently, his call for "consciousness-raising" or "development education" in the U.S. itself has a rather hollow ring to it:[448]

> There is need for more understanding of the issues of global interdependence, of the real causes and potential solutions of poverty, of the needs and aspirations of people throughout the world, and of the American stake in their realization.

The question is, given such a mis-conception of conscientization, how can the "real causes" of Third World poverty be really understood ?

ODC's "Resident Radical"

Initially a Visiting Fellow, Denis Goulet is now a Senior Fellow at ODC. Prior to joining ODC, Goulet had achieved some prominence in "development" circles as a philosopher and critical analyst, and in one study delivered an excellent critique of U.S. aid.[449] Given this background, as well as the invariably more progressive style of his ODC writings compared to other ODC staff, Goulet may be appropriately termed ODC's "resident radical". My analysis (in this seperate sub-section) of Goulet's ODC work aims at finding out to what degree Goulet's "radicalism" deviates from ODC orthodoxy. Is it conceivable that a ruling-class think-tank would tolerate critical analysis on its very premises?

To begin with, in various writings on behalf of the ODC, Goulet displays awareness and acceptance of core principles of radical dependency theory. Thus both the "assistentialist" approach(stressing First World aid) and the "developmentalist" approach(stressing UDC modernization) are criticized in favor of a "liberation" approach to development -- that is, improving the whole population's livelihood via radical change overcoming dependency.[450] Goulet understands well the international-internal nexus of hegemony:[451]

> The present order tends to freeze the unjust division of the world's wealth in a manner which favors privileged classes within UDCs while constituting a global privilege system in its own right. The current economic order was designed by rich countries to serve their financial and economic needs....
>
> (There is also) the relation between internal privilege systems and outside dependence. Underdevelopment can best be understood relationally: privilege systems in poor countries find their normal reinforcement in alliances between national elites and international investors, traders, and professionals.

Development technocrats are properly criticized for too often placing their "problem-solving talents at the service of dictatorial regimes for whom rapid growth in GNP is obtained at the expense of a populace economically exploited, emotionally manipulated, and politically repressed. When invoked by development officials, pragmatism easily becomes a tacit endorsement of the status quo which leaves uncontested the underlying structures of oppression."[452] And in transferring technology to UDCs, consultants of international agencies tend to reinforce competitivistic standards which suit well the interests and styles of MNCs.[453] Thus so-called "economic miracles" (e.g.Brazil) or "success stories" (e.g.South Korea), or "financial booms"(e.g. Saudi Arabia) does not necessarily mean improved living standards for the masses.[454]

On MNCs, Goulet is untypically-ODC when he overtly rejects the conventional view of MNCs as purveyors of technological salvation for UDCs' problems. For example, "modern technology tends to reinforce the gains reaped by large agribusiness firms at the expense of peasant or small farmers."[455] Harsh criticism is levied at an Arthur D. Little's proposal for a luxury-oriented frozen foods system in Brazil, and at the anti-development effects of tourism technology-transfers.[456] Still, Goulet qualifies his critique with positive examples of good MNC conduct (e.g. willingness to train local UDC personnel; the Cabot Corporation which accepted, albeit reluctantly, joint ventures with UDCs to produce carbon black, and thereby "exemplifies the competitive, albeit urbane, sophisticated and socially responsible international company.")[457]

Notwithstanding such qualifications, Goulet's analysis of dependency clearly stands well left of his ODC colleagues. But while such a general critical framework would lead, in the case of radical dependency theorists, to consideration of modes of production, class analysis, imperialism and class-struggle, Goulet is led, however, by his "development ethics" stance into rather theoretically vague prescriptions for global change. His goal is to "clarify the moral basis of a new world order in which geniune development could become possible for all."[458] Goulet's key moral category is "universal solidarity", viz human beings, recognizing their common humanity, do not seek to dominate each other.[459]

> [460]Effective solidarity...means institutionalizing the principle that the world's wealth belongs to all its inhabitants, on the basis of poverty needs, not on geographical accident or on differing technological abilities to extract or exploit resources that some groups enjoy over others.

To attain geniune "universal solidarity", the present inequitable international order must be "radically transformed." Goulet[461] stresses one basic theme of such transformation to be subordination of the market principle (which legitimizes structures of greed of DCs and UDC privileged elites) to the principle of fulfilling priority needs of all human beings on the basis of austerity-for-all. Incentives based on material acquisition and competitive striving should be replaced by moral incentives dedicated to universal abolition of misery, equal justice, autonomy, and dignity. Elsewhere, Goulet refers to this humanistic world order as "global populism."[462]

In this regard, Goulet (unlike his colleagues) has considerable praise for China's self-reliant appropriate technology policies, which are governed by overt political values stressing revolutionary consciousness, austerity over affluence, moral over material incentives, substantial equality and participation, and faith in responsible, collective mobilization of human wills for development.[463] Another positive paradigm of technological autonomy Goulet cites is seen in Quecha peasant communities in Central Bolivia, who use appropriate technology to make ceramics and artifacts, based on the value of benefits for the whole community.[464]

But more importantly, how does Goulet envisage the process of transformation to achieve "universal solidarity" or "global populism" as coming about? Though he does warn against merely palliative,incremental, piece-meal changes, he also argues (but without theoretical elaboration) that some incremental changes can be creative, "creating new possibilities for future (radical) change."[465] It is by using such "creative incrementalism" together with "revolutionary change" (which is often a necessary prelude to development) that "true developers" can hope to build a "humane", developing world order.

And who can assume the role of "true developers"? It is here that Goulet's "radicalism" shows its truest color. In a 1975 paper, he is very gently skeptical of the sincerity of MNC managers, big-power politicians, internanational financiers, and other elite groups who often appeal to "solidarity" among nations to solve world problems.[466] But in his 1975 book, Goulet forgets his skepticism and places reliance on those very same elite groups to affect "true development".

Thus national planners and decision-makers are called upon to have "unflinching commitment" to mass-development needs.[467] International agencies have vital functional roles in supporting such commitment, and local enterprise management should opt for reduced dependency and greater self-reliance.[468] World intellectual elites who have hitherto served vested, status-quo interests, are believed capable of forming "new loyalties and coalitions...in defense of geniune developmental possibilities."[469] And even corporate personnel are asked to change their values from profitability-first to human-needs first.[470] Goulet is hopeful that "enlightened personnel in transnational corporations can, in virtue of their loyalties outside the firm, pressure their own institutions to adopt radically different roles in a future (world) order".[471] Finally, in his vision of global reform, Goulet calls for a coalition of non-elite forces, allied to elites who "defect" from their class values, which will work outside in opposition to established political-economic power-centers and "should be premised upon nonviolence to the extent possible."[472]

Unfortunately, Goulet does not provide any theoretical or empirical basis for his optimistic vision of entrenched DC and UDC privileged elites willingly and happily forgetting their vested interests to serve the masses who have been suffering under their exploitative hegemony. In effect, in spite of its several more critical observations, "global populism" has not advanced much beyond the standard ODC-reformist prescription for change. Ironically, Goulet fails to consider that one criticism he makes of DC mainstream "development" scholars may have some relevance to his own stance, namely the criticism that one major role played by the

> [473]international intellectual community (is)... to guard the purity of development language by inidgenious Third World upstarts. Words, concepts, images, theories and models must be certified as legitimate by the "intellectual" community...the world knowledge industry subtly proceeds to disarm new ideas, new terminologies, and new models so as to incorporate them into mainstream thinking. The objective...is to take the sharp bite out of *dependencia* theory, theology of liberation, revolutionary *conscientizao*, and other efforts by Third World intellectuals to define their own reality as a prelude to prescribing change.

How so true. Does not then a concept like "global populism" play this "disarming" role that Goulet deplores? If he is impressed with concepts like dependency and liberation, why then does not Goulet fully endorse and publicize them for the sake of critically educating his readers?

Granted, as described later, Goulet does favorably analyze in a recent ODC Occasional Paper the revolutionary experiment of Guinea-Bissau. But viewed in a total perspective, his work for the ODC since 1973--for all its more progressive elements--do not in the final analysis challenge the reformist-gradualist ethos of ODC's interdependence strategy and indeed at points backslide into convergence. Most importantly, surely it could not so challenge. That would hardly be appropriate or tolerable for any paid employee of a ruling-class policy-planning group.

"Dependency" : Summary

Among its publications, the ODC has on occasion accorded attention to critical analyses of Third World dependency. In 1971, there was even an opportunity given to radical-left analysts to write under ODC auspices, although inevitably such critical analysis was immediately refuted by ODC experts as unrealistic and invalid. In the hands of ODC analysts, the concept of "dependency" becomes grossly distorted and manipulated to converge with ODC's preferred interdependence strategy, which apparently will take UDCs "beyond dependency". Practically all of the UDC spokespersons invited on various occasions to write about "dependency",likewise show no or little critical understanding of UDC underdevelopment and merely reflect or echo the reformist ethos basic to ODC's strategy. In the few instances where some critical analysis is seen, it remains piece-meal and lacks the concrete class analysis needed to understand internal and international hegemonic structures.

Furthermore, although at least a fraction of U.S. religious leadership shares a critical conception of dependency via "liberation theology", the ODC's reformist and interdependence ideology commands endorsement and support from the higher circles of U.S. church leaders. With regard to private voluntary aid, the ODC attempts to project a "radical" stance by invoking the potentialities of Freire's concept of conscientization or consciousness-raising. But the net result is an emasculated, depoliticized and domesticated parody of conscientization that once more betrays ODC's non-radical ethos.

The major exception among ODC writers vis-a-vis dependency notions is the ODC's "resident radical" Denis Goulet. In his various writings for ODC, Goulet does display awareness and acceptance of core principles of critical dependency theory. Goulet's criticisms of MNC exploitation, of DC support for the status quo, and of the profit-oriented framework of mainstream development theory, place him quite "left" of his ODC colleagues. But despite this more critical stance, Goulet does not logically proceed to make use of critical explanatory concepts like imperialism and class-struggle. Rather, he tries to build his critical analysis on theoretically vague and weak concepts like "global populism" and "effective solidarity". Ultimately, to carry out the necessary structural transformations for overcoming dependency, Goulet falls back on the very same elites and elitist institutions responsible for the repressive and anti-developmental status-quo. In the end Goulet, for all his critical awareness, only takes "the sharp bite out of" dependency theory--a criticism he himself had made of the "international intellectual community."

LIBERATION & REVOLUTIONARY SOCIALISM

A further good acid-test distingusihing modernization from critical perspectives on underdevelopment lies in the analyst's attitude to and conception of "violent" revolutionary change in overcoming underdevelopment. In the critical paradigm, the status-quo in UDCs embodies in fact violent structures of oppression, exploitation and imperialism. Thus revolutionary violence is regarded as invariably necessary to eradicate the unjust violence that is equated with "peace" and "stability" in modernization thinking.

As earlier noted, the ODC tends to downplay Cold-War rationale and tactics in U.S. policies towards UDCs. In particular, there is some disapproval (albeit mildly put and unexplained) of the military-aid priority fostered by Cold War policies, which has led to military intervention such as Vietnam or the Dominicam Republic.[474] Thus, at least overtly, the ODC projects a more flexible stance than the virulent anti-Communism of modernization theories like Rostow and Pye. Instead of hardline counter-revolutionism, the ODC sees First World promotion of UDC economic and social development as the best long-term alternative to military aid. With socio-economic progress, UDCs can effectively cope with "threats" to their own "security". Yet, this is not to say that the ODC welcomes revolutionary socialism in the Third World. As the ensuing discussion shows, ODC ideology is pervaded by a predominant bias against liberation struggles that aim at instituting revolutionary socialism as the strategy for development.

Fear of Social Violence

To begin with, practically all ODC experts display a phobia about social violence. Indeed, it is such fear of anticipated conflicts as underdevelopment worsens that provides a compelling justification for more U.S. concern about UDC "development" a' la ODC's strategy. For example, Hunter[475] warns that overpopulation, urban growth, social injustices, and widespread unemployment should not be "left to their own violent solutions." Brown[476] is worried that

> in societies where the distribution of wealth is worsening, dissident groups are seeking to capitalize on social and political unrest. The result is civil strife, political instability, political disintegration, and in some cases civil war and anarchy.

For Shaw[477], agricultural development requires "careful" policies which will "minimize social conflict" between larger, powerful farmers and the poor rural masses.

Obviously, then, our ODC experts brook no enthusiasm for revolutionary strategies to overcome underdevlopment. Thus ODC President Grant[478] cautions against a strict stability without change approach, which may lead to the bottling-up of social pressures and then explosive change as in Cuba or Russia. Necessary reforms ought to be carried out without "major violence or extreme authoritarianism", and rich nations can assist such reforms through promoting high rates of UDC growth. In this regard, Rielly & Hunter[479] note the "precedent of Cuba", and admonishes U.S. "insensitivity to the possibilities of keeping it out of the Communist orbit." Likewise, India should be helped to survive as the "largest working democracy", so as to preempt "greater difficulties" for the U.S. in the future.[480]

Furthermore, besides the "continuing moral concern" in the U.S. to see "inevitable change take place with as little violence as possible"[481], the ODC feels that violent modes of change (involving millions of deaths in China, Taiwan and Korea) "are either not reproducible or not acceptable elsewhere."[482] It is also argued that revolutionary overthrow of a regime doesnot necessarily result in a more "just" structure, since it is just as likely to be replaced by a "stronger and more ruthless one drawn from the same ruling-class." Hence the ODC does not support "outside intervention to support armed revolt".[483] As Hunter[484] puts it:

> action in the name of the "people" is no guarantee that there will be a more equitable distribution of income. Nor should we Americans judge that a stagnant economy like Cuba's is better--however much equality it provides--than an authoritarian regime like Taiwan's, which has an impressive record of both growth and social justice.

The Chinese Model

With the exception of Goulet's writings, this bias against revolutionary socialism comes through clearly in various assessments of the Chinese model. As earlier noted, Taiwan is invariably lauded as superior in "development" achievements. Brown[485], while appreciative of several Maoist mass-oriented policies, quickly notes that his comments are

> not to suggest that the Chinese model is necessarily desirable or appropriate for other societies. It is a model that has involved a great deal of control and restriction of individual freedom.

The elite China-watcher for Brookings, A.Doak Barnett[486], also conceded in an ODC paper that since liberation, China has attained certain development achievements, particularly meeting basic needs and equitable distribution of the Chinese masses.[487] Even the Cultural Revolution is appreciated for its development of local initiative, rural social services, and viable small-scale industries. But Barnett's citation of accomplishments is certainly overshadowed by his long list of "indisputable costs" of the Maoist strategy.

Thus agricultural collectivization is said to have adversely affected peasant motivation and be prone to "bureaucratic bungling".[488] The rural health emphasis will denigrate higher-level training and research and hence urban medical care.[489] City-to-countryside campaigns will create urban neglect, city-youth disatisfaction, and decline in "dynamism in the urban population--which is a powerful force for modernization" in most UDCs.[490] Bureaucratic work organization and decline in family-based competitive motivation are deemed to adversely affect work incentives[491]. Mass political participation suffers from being closely "controlled and manipulated...increasingly formalistic and ritualized."[492] Higher education seems to show serious degrading of quality.[493] And on China's macro-economic policies of restricting growth in favor of stable prices, Barnett criticizes as follows:[494]

> the reluctance of Chinese leaders to let market forces, and 'profit' as a criterion of production success operate, even to the extent that other Communist countries have, has probably contributed to inefficiency in the allocation of many natural resources.

Besides such "indisputable costs", Barnett is pessimistic about transferability of the Chinese model to other UDCs.[495] The major obstacle resides in the high degree of required political and social control.[496]

> Chinese methods of social control obviously cannot be easily transferred, and certainly not to societies that are attempting to preserve some degree of social pluralism. Morever, they unquestioningly involve a high political price—including enforced conformity, the denial of many personal freedoms, and the suppression of virtually all real political dissent (except during a few brief periods when the top leadership has deliberately allowed it)--a price many non-Communist countries are not inclined to pay.

Thus while some Chinese developmental experiences (e.g. small-scale industrialization) may have transferable lessons elsewhere, our ODC China-watcher concludes that "many Chinese policies...would be difficult, if not impossible, to apply in other countries whose political and social systems are fundamentally different."[497] What Barnett fails to point out, of course, is that China's political-social system before 1949 was also "fundamentally different" to today's system which is the requisite for those mass development policies.

Goulet's Deviations

The sole exception to the general tendency of ODC experts to downgrade the applicability of revolutionary socialist models in the Third World is found in the writings of ODC's resident radical, Denis Goulet. As earlier noted, Goulet has much praise for the Chinese self-reliant and appropriate mode to technology-use, and for the overarching moral incentive system that fosters effective "solidarity" and thereby real development. Furthermore, unlike his ODC colleagues, Goulet has no hesitation in endorsing wars of national liberation and criticizes Western experts who oppose such struggles once they perceive them as upsetting the balance-of-power. "Inasmuch as wars of national liberation frequently aim at revolutionizing internal social structures, this posture serves to veto liberation models of development and to buttress domestic repressive policies."[498] The conflict-is-destructive myth is exposed vis-a-v-s UDC underdevlopment:[499]

> Conservatives presume social harmony to be normal, and conflict to be destructive. Their underlying assumption is that existing institutions are just or, at least, that they are the lesser evil among all realistic alternatives. In many underdeveloped lands, however, basic structures are unjust and have no legitimacy, despite a facade of legality. Social conflict thus becomes necessary to challenge established disorder! It is a prelude to development.

Most recently, Goulet[500] elaborated on his empathy with liberation models of development in an extended paper on Guinea-Bissau —the ex-Portuguese colony which attained independence in 1976/77 after 15 years of bloody liberation struggle under Amilcar Cabral's leadership of the PAIGC (African Party for Independence of Guines & Cape Verde). The case-study's objective was to draw lessons from the experience of Guinea-Bissau in pursuing an "alternative development strategy" which emphasizes meeting of basic-needs for all the people(over mere economic growth), progressive self-reliance (over excessive dependency), and eliciting change building on existing values and active participation of the masses.[501]

Such mass-oriented policies had been initiated even as the armed struggle was underway[502], and continued after independence in the priority areas of equitable agricultural development,[503] and revolutionary education.[504] Even the earlier mentioned radical literacy educator, Paulo Freire, was invited to formulate a national literacy program. Goulet is also very impressed with Guinea-Bissau's self-reliant and political independence vis-a-vis foreign aid and relationships with nations of all ideologies. Last but not least, Goulet defends the politicization of economic decision-making[505] --a defense which is quite radical compared to mainstream modernization theory and ODC ideology.

In sum, only Goulet's writings provide critical deviations from ODC orthodoxy among the voluminous corpus of ODC literature. It is my surmise that as long as Goulet's analyses,in spite of some critical features and implications, remain embedded in his general "development ethics" framework rather than in a full-blown critical paradigm, then his presence on the ODC team would be tolerated and coopted. Indeed, having a Goulet on staff can be helpful to ODC's projection of a "liberalist-internationalist" image. And read from the total perspective of ODC's development ideology, the partially critical musings of one staff-member cannot undermine the ODC's central platform of global interdependence.

Liberation & Revolutionary Socialism : Summary

In its literature, the ODC avoids a virulent anti-Communism and hardline counter-revolutionism typical of traditional modernization theory. Its advocacy of UDC economic and social "development" is based on the grounds that such "development" is the best long-term alternative to military aid for securing U.S. "security". Still, despite its attempt to transcend Cold War motivations, the ODC has a deep phobia about social violence in UDCs. The kind of "explosive" change that occurred in China or Cuba should be preempted by timely non-violent reforms in other UDCs. Furthermore, revolutionary overthrow of a ruling-class does not, the ODC warns, necessarily lead to a more just structure. In this regard, while conceding that the Chinese model of revolutionary socialism has helped to foster a basic-needs oriented development strategy, ODC experts typically are quick to note many "costs" of the model. Most importantly, much pessimism is usually expressed about the transferability of the Chinese model in its total revolutionary experiment to other UDCs. At most, isolated facets of prevailing development tactics are conceded to have potential lessons elsewhere, without taking into account the fact that those tactics are successful only within a holistic structural transformation.

Finally, as before, ODC's "resident radical" Denis Goulet maintains analyses that deviate appreciably from mainstream ODC writing vis-a-vis liberation and revolutionary socialism. Besides unqualified endorsement of the Chinese model, Goulet supports national wars of liberation as potentially constructive in initiating development. In this regard, he has favorably evaluated the Guinea-Bissau revolutionary model of people-oriented development. Such deviations notwithstanding, it is a safe surmise that Goulet's radicalism (a) would never be permitted (even if he has the commitment) to grow into endorsement of a full-blown critical paradigm (which would require the kind of critique as I have made of ODC ideology)as long as Goulet is on ODC staff, and (b)will remain excluded from the ODC's central platform of "global interdependence".

SECTION IV

A CRITIQUE OF THE ODC'S "DEVELOPMENT IDEOLOGY"
AND
ITS IMPLICATIONS FOR U.S. AND WORLD CAPITALISM

INTRODUCTION

In the preceding section, a summary was provided of the principal themes of ODC's ideology of "development" for the Third World, the various concepts employed to articulate that ideology, and the empirical analyses cited as "evidence". Essentially, the ODC is seen to argue that U.S. foreign policy should now transcend Cold War logic in order to accommodate the problems of increasing global "interdependence". Concomitant with the perceived need for a "reformed" international political-economic order, the ODC advocates -- for internal UDC articulation as well as for U.S.-UDC relations -- a "new development theory" that would correct deficiencies of the hitherto dominant "trickle-down" or "growth-first" theory of UDC development. The intensive and comprehensive content-analysis of ODC literature undertaken reveals a systematic coherence in development-ideology articulated by ODC's experts and spokespersons--a coherence which is in the final analysis not undermined by the occasional isolated awareness of critical political-economic insights, or even by the much more progressive stance of ODC's resident "radical" Denis Goulet.

This Section is devoted to a critical evaluation of the ODC's development-ideology and of its implications for U.S. hegemony in the Third World. Specifically, it is asked: does the ODC's "new development theory" adequately explain the realities of underdevelopment? ; in the light of these realities, can ODC's theory really meet the needs of mass development?; and will the ODC's version of a reformed international political-economic order ameliorate the facts of unequal exchange between DCs and UDCs? Running through all these questions is, of course, the sine qua non of critical power-structure analysis: whose interests will be best served by the practice of ODC's development-ideology?

In answering such critical queries, it will be seen that apart from a few conceptual elements on certain development issues which impart to ODC ideology a slightly more "progressive" flavor than traditional modernization worldviews, substantial theoretical and empirical deficiencies exist so as to belie ODC's claims to a theory and strategy of and for geniune mass development. On the contrary, ODC's ideology will only primarily help the consolidation of world capitalism and perpetuate U.S. hegemony internationally and within intra-national political-economic systems where exploitation of UDC masses and Third World underdevelopment proceed unabated. Before these deficiencies are discussed, however, it is helpful --lest the cry of "lack of objectivity" be raised--to note a few "progressive" elements locatable in ODC's development-ideology.

On occasion, such "progressiveness" is manifested at the level of causes of underdevelopment. Elsewhere, it is extended to proposals that would even have a place in any critical strategy to "development". Yet, as I shall point out, the ODC's "progressive" side is riveted with serious contradictions when juxtaposed against the remaining bulk of ODC ideology, or suffers from theoretical fragmentation in which the "progressive" elements appear isolated and unconnected.

To begin with, there is the avoidance of blaming cultural or socio-psychological characteristics for UDC poverty and a greater concern with political-economic structural obstacles. At the international level, the facts of unequal trading and financial regimes are recognized as situated in historically-created and sustained DC dominance--hence the support(albeit not unqualified, as later discussed) for an NIEO. At the UDC domestic level, ODC ideology eschews neo-Malthusian logic in conceding the political-economic prerequisite of increased mass living-standards if population control is to succeed.

The unemployment problem is properly attributed to political-economic distortions of factor-prices, reflected in inappropriate investment and technological-transfer policies. Even the Green Revolution is recognized to have structural constraints. And running through ODC's ideology is the constant theme criticizing traditional "trickle-down" or "growth-first" development theory for failing to take into account the obstacle of social and political-economic inequities, which only benefit ruling and privileged elites. Here, even certain elements of the otherwise lauded U.S. aid to UDCs are negatively evaluated for bolstering the status-quo, such as military aid to repressive regimes.

Upon closer examination, however, most of the "progressive" elements within ODC's ideology betray contradictions in the total ideological context. Thus, while one important ingredient for potential Third World development is indeed an NIEO firmly based on principles of "equal" exchange, it must--as even the ODC logically concedes--be necessarily linked to internal social and political-economic equity. Here, the ODC's penchant for a reformist strategy of change, whereby the same elites criticized for monopolizing wealth and income are expected voluntarily to surrender their privileges, belies its "progressive" diagnosis of structural underdevelopment. At the same time, despite the occasional criticism, the knowing participation of the U.S. and other DCs in this structure of underdevelopment is hardly analyzed, thereby blunting one vital edge for any critical dissection of UDC poverty.

Likewise, while appropriate technology is one appropriate tool for facilitating UDC development, how factor-price distortions would be decisively corrected by entrenched elites remains an unanswered question in ODC's ideology. Last but not least, though the the ODC projects a non-Malthusian logic in its theoretical treatment of the "overpopulation" issue, it says nothing about the various population-control policy-planning and action groups whose practice is based on neo-Malthusianism. As I showed in my analysis[1] of the development-ideology of the Population Crisis Committee, which is closely linked to the ODC, such ruling-class-sponsored groups serve as primary instruments to push for rapid population control among UDC masses, regardless of their opportunities for socio-economic development. The ODC's silence in this regard is one instance of its superficial "progressiveness".

In Chapter 12, I will therefore document the major theoretical and empirical deficiencies of ODC's development-ideology. Such deficiencies will decisively strip the ODC of any claims to having a "new development theory" that, unlike traditional modernization strategy, can deliver mass-development. And in Chapter 13, I will conclude this study with a diagnosis and prognosis of the implications of ODC interdependence ideology for U.S. hegemony.

Chapter 12

THEORTICAL AND EMPIRICAL DEFICIENCIES OF ODC'S DEVELOPMENT-IDEOLOGY

INTRODUCTION

The theoretical and empirical deficiencies ODC development-ideology suffers from occur at a number of often interrelated levels. It has an extremely poor grasp of history, as in its treatment of the First World's role in underdeveloping UDCs. It is deficient in analyzing the political-economic behavior of DC institutions like MNCs or aid agencies. And it inadequately conceptualizes international and intra-national class structures, thereby permitting it to expect fruitful "development" results from its "global new deal" strategy and its gradualist-reformist approach to UDC domestic reorientation.

AHISTORICAL ANALYSIS

As earlier noted[2], ODC literature is conspicuously lacking in concrete analysis of the First World's role in underdeveloping UDCs over the past four or so centuries of world capitalist expansion. Beyond the general concessionary remarks about a historical basis to present-day inequities in world trading and economic arrangements, ODC experts typically avoid critical discussion of the colonial or free-trade imperialist exploitation that was foisted upon UDCs and initiated the "development of underdevelopment" (cf.supra:27ff). Certainly, the emergent U.S. hegemonic role beginning in the early 1800's and culminating in U.S. predominance after 1945, with vigorous participation of U.S. business and the U.S. State, is never subject to critical evaluation by our ODC experts. With such a flawed sense of history, it is not surprising that ODC's political-economic understanding of the present should be equally deficient.

MNCs AS "DEVELOPMENT AGENTS"

With the partial exception of "resident radical" Denis Goulet--whose radicalism itself suffers, as earlier noted, from theoretical limitations[3]--ODC experts clearly place much faith in the MNC as a constructive "development" agent. Granted, MNCs are advised to accommodate to moderate UDC "nationalism"; an "international code" for foreign investment is advocated; and there is the odd admission of negativities from direct foreign investment and MNC operations. But even taken at face value, all these pale into insignificance amidst the laudatory diagnosis and prognosis of the role of MNCs in ODC's "new development theory". Thus for rural modernization, MNCs are deemed functional in agribusiness activities. For an "export-oriented" industrialization strategy, MNCs are evaluated as facilitating the correction of factor-price distortions via providing labor-intensive employment.

Anti-Developmental Investment

The ODC's analysis of MNCs thus fails to take into account the burgeoning critical evidence on anti-development effects of MNC investment and operations. As various general critiques have shown[4], such negativities include the fact that MNCs ultimately siphon out more capital than they put in via repatriation of profits, royalties, patents and service fees; that MNCs have no qualms about using devious means to maximize profits (e.g. manipulating transfer prices; bribery of UDC elites); that MNC-favored capital-intensive technology traps UDCs into inappropriate technological choices often based on excess import dependency; that the externally-focused profit-making ethos of MNCs creates industrial, mining or agribusiness enclaves serving primarily the needs of DC economies(cheap raw materials and labor) and UDC elite-consumption at the expense of mass basic-needs; that via advertising monopoly and intensive marketing techniques MNCs actively skew UDC consumer preferences to their brands.

Such negativities have been documented in various industries like (a)pharmaceuticals, where MNCs foster over-expensive,over-use of and/or unsafe "brand"-name drugs while local R & D into effective, cheap mass-medicine is stultified(Lall,1977); (b)imported food, where has arisen the so-called "Lactogen Syndrome" of infant malnutrition as poor mothers become persuaded by MNCs to substitute unaffordable artificial formulas for breast feeding(New Internationalist,1975); and even (c)soap, as in Kenya, where MNCs have fostered over-mechanization, excessive import of inputs, and other distortive consequences(Langdon,1975).

Other critical analyses have exposed the underdeveloping and exploitative operations of specific corporations such as W.R.Grace in Latin American sugar, paper, textiles and mining, dating from 1850(NACLA,1976a); and Gulf & Western's repressive control over sugar resources and labor on the Dominican Republic(NACLA, 1975a). This kind of evidence is, however, never acknowledged by the ODC in its discussion of MNCs and foreign investment. Likewise, despite its major interest in the issues of "energy", the ODC has not one critical word for the political-economic power and manipulations exercised by oil MNCs, often in collaboration with DC States(Tanzer, 1969).

And all over the Third World, a growing corpus of empirical investigations into the impact of MNCs on individual UDC societies have shown that dependency and underdevelopment are inexorably deepened, even if growth rates may be spectacular. Perhaps the most dramatic instance is provided by the so-called "Brazilian miracle", typically lauded in traditional modernization circles. Here, apart from a passing mention of the worsening income distribution in spite of high growth, the ODC chose not to analyze the political-economic roots of Brazil's inability to meet mass basic-needs. For if it had, then it surely must acknowledge the key role played by foreign investment in the Brazilian junta's growth model, which generously fostered MNC profit-making and a vigorous export-promotion policy.[5] Despite such industrialization, it is now clear that the "miracle" has turned to "crisis" with Brazil now suffering even more acutely from symptoms of dependency and imperialism --high decapitalization and denationalization by MNCs; increased debt; worsening trade deficit fostered by excessive import dependency to cater to high-technology exports and elite consumption; severe repression and exploitation of workers; mass deprivation in basic needs and services alongside elite opulence; and even elimination of Brazil's remnant native peoples to make way for MNC mining and agribusiness in the Amazon (NACLA,1979a; Dos Santos, 1977; Evans,1974; INDIGENA,1974). The enormous dependency of Brazil is witnessed by its current debt of some $52 billion to the world's major banks($14 billion to U.S. banks), a debt which may take as much as 80 percent of Brazilian 1980 export earnings just to service.[6]

Similarly, the ODC's anti-critical stance on foreign investment is reflected in its systematic overlooking of critical documentation of MNC exploitation in Asian UDCs like the Philippines(Escultura, 1974), and Indonesia(Ransom, 1975; Taylor,1974), or in African neo-colonies like Kenya (Leys,1974), Zambia(Seidman,1974), and Morocco(Paul,1972).

By welcoming MNC dominance, all these UDCs perform very well in sending surplus-value abroad to the Centers and in increasing elite wealth and income, but very poorly in meeting mass basic-needs. And despite the strong "human rights" image cultivated by ODC's Chairman Hesburgh, there is a strange silence in ODC literature on the exploitative underdevelopment of South African blacks under apartheid, whose viability is fostered by huge and profitable DC investments of which the U.S. stake, directly and indirectly, is most significant(Sakarai,1976).

Defenders of ODC ideology may, of course, argue that growth policies which do not meet mass basic-needs deserve to be criticized, as the ODC claims to in formulating its "new development theory". But this defense is not adequate. Is it not contradictory for the ODC to reject "growth-only" policies of modernization and yet effusively laud the MNC's contribution to UDC "development"? To recognize the defects of hitherto modernization methods surely demands a simultaneous critical appreciation of the underdevelopmental role of MNCs and foreign investment. How can growth-only policies be transcended if the motive forces reproducing them--i.e.the profit-making logic worshipped by MNCs, and the internal hegemonic class structure--are disregarded?

And if the ODC claims to be helping the U.S.people "understand" Third World problems, why are the numerous failures of dependent capitalism not critically dissected to expose the accessory participation of U.S. MNCs and the U.S. State? Such a lacuna in ODC's ideology-formation is easily understandable, for ruling-class think-tanks can hardly be propagating critical knowledge about their patrons and directors. Social-scientificwise, it undermines any claim by the ODC to objective understanding of UDC underdevelopment.

Indeed, this theoretical deficiency assumes even clearer dimensions when the ODC's programme for MNC involvement in its "new development theory" is evaluated. As earlier discussed[7], the programme comprises three major items: (a) increased MNC accommodation to UDC "nationalism"; (b)agribusiness participation; (c)MNC-sponsored export industrialization.

MNC "Accommodation"

In the ODC's view, the desirable response to increased UDC "nationalist" pressures on foreign investment is for MNCs to employ certain "accommodation" tactics which will allow both host-UDC "development" and continued MNC profit-making. Such tactics focus on greater local control of foreign investment via joint ventures, local equity participation, non-ownership technology/management contracts and other formulas, as well as on promotion of local R&D, export diversification, and "national development" contributions. As ODC's staunch consulting-firm supporter, Business International Inc.,noted on the basis of MNC experiences in increasingly "nationalistic" Latin America, a flexible and intelligent response to such "nationalism" will ensure continuing investment security.[8] However, what Business International or the ODC omits to analyze is whether this kind of "nationalistic" manifestation or the resultant MNC accommodation means actual less dependency.

Critical assessment shows in fact that such emergent UDC nationalism (i) can be and is being integrated into the world capitalist network, and (ii)invariably has little linkage with geniune mass development. Thus on the focal issue of increased local control, even the most typically extreme tactic of nationalization does not necessarily lead to self-reliant development. This is seen, for example, in OPEC nations with their nationalized oil industries, such as the Shah's Iran, where 25 years of oil wealth were squandered in elite luxuries, dependent industrialization and tools of mass repression(Halliday, 1979), and even sparsely populated Kuwait, where non-Kuwaiti immigrant labor constitute the exploited masses (Observer,1978). Another illustrative example is the case of government parastatal enterprises in Tanzania, where despite full local owenership, it is the foreign technical expert or management contract with former MNC owners which sets economic and technological priorities (Loxley & Saul,1975). And greater local control measures (e.g.joint ventures, profit-remittance ceilings) as in the

Mexicanization model or the Andean regional investment code, still generously safeguard MNC interests and contains loopholes for continued MNC dominance (NACLA,1971: 28ff,33ff).

The net result of various ODC-approved accommodation tactics is therefore perpetuated dependency and MNC prosperity, even if local elites now get a bigger slice of the imperialist pie. Girvan(1975:41ff) also notes the fact that even primary resources MNCs(e.g.oil) facing strong UDC cartel action can use "nationalistic" pressures to justify super-profit-taking on down-stream products[9]. Also, divestitures to yield local participation can become more lucrative than full ownership. In this regard, the idea of a "foreign investment code" applicable to all MNCs and host-States, such as proposed by an U.N.(1974) report, should be generally favored among the MNC community. Such a code would facilitate planned unchaotic ground-rules for inter-MNC competition and MNC-UDC relations, and in its content as suggested by the U.N. report, is eminently favorable to MNC interests and of little use to mass-development needs(Green,1975:113,101).

In sum, ODC's advocacy of MNC accommodation vis-a-vis moderate UDC nationalism is basically designed towards fostering a more integrated, harmonious world order for MNCs and DC imperialism. The route from this global "reformation" to real meeting of basic-needs rests more on ODC's unexplained and empirically invalid faith than on objective theory-and-practice.

MNC Agribusiness

A second major plank in ODC's platform for the MNC's "development" role is an unbridled enthusiasm for agribusiness.[10] The growth of investments by MNCs in various aspects of food production, ranging from supplying farming inputs(e.g.Green Revolution technology) to direct food production(e.g.ranching) to food-processing(e.g. canned vegetables), is deemed highly functional to ODC's new-style rural modernization strategy. Notwithstanding a slight admission that the Green Revolution has/can deepen social inequalities, the ODC's overall advocacy of MNC-dominated agribusiness further belies its professed concern for the well-being of UDC masses. Since the "Green Revolution" issue will be discussed as part of the next sub-section on ODC's "rural development" strategy, it suffices here to look into the realities of agribusiness operations in such areas as direct non-cereal food-production and food-processing.

In the history of UDC dependency, MNC agribusiness is ,of course, nothing new. Indeed, apart from minerals exploitation, DC investment in UDCs has centered on production of agricultural commodities . Here, the classic examples of sugar, banana and coffee republics or islands in Latin America and the Carribean(Galeano,1973:71ff), or of cotton, cocoa, and palm oil plantations or cash-cropping in Africa(Rodney,1972:167ff) amply testify to the harsh exploitative hegemony of DC companies over UDC land and labor.

Beginning in the sixties, however, there has emerged increasing vertical integration as well as diversification by food and non-food MNCs as means to maximize profits; and UDCs--with vast supplies of cheap land and labor-power and not least compliant elites, and pushed by DC/multilateral agencies to capitalistically transform their agriculture--certainly yield fertile ground for profit-maximization.[11] Such an operational logic means that agribusiness expansion in UDCs has been oriented not towards meeting mass basic-needs, but towards serving consumers who can pay, viz DC markets and local UDC affluent classes (George,1976:158-191). Instead of land-use for producing cheap basic food crops, agribusiness diverts resources into "luxury" exports.

Thus Africa now supplies not only its traditional cash crops to Europe, but also fruits, vegetables, and even Sahel-produced beef. Latin America and Carribean UDCs like the Dominican Republic are exporting increasing amounts of strawberries, asparagus, beef, tomatoes, and other vegetables for the U.S. market. Perfectly human-edible fishmeal, a cheap rich source of protein, are processed by GF, Ralston Purina or Quaker Oats to feed 6.5 million U.S. cats and dogs. Even carnations, due to their hundred-fold profitability, are exported by corn or wheat-deficit Colombia. And the intensive shaping of consumer tastes by food-processing MNCs reaches down to the poorest, who waste scarce income on junk or inappropriate foods like Coke and infant formulas.

The negative impact of MNC agribusiness is not, however, just a quantitative matter of more food-exports at the expense of local basic-food production. There are systematic consequences of increased UDC dependency and intensified exploitation of UDC workers and peasants. For one thing, agribusiness commercialization requires substantial UDC State outlays in infrastructure which, often financed through DC or multilateral aid, increases the debt burden. Also, agribusiness expansion(even if disguised as joint-ventures) has induced land concentration and displacement of peasants, creating a vast reserve force of easily exploited rural "proletariat". This is seen, for example, in new cattle-ranching operations in Brazil's Amazon(George,1976:174), in vegetable/fruit-canning and cattle-ranching in Morocco(Paul,1972:36ff), in G & W's sugar operations on the Dominican Republic(NACLA, 1975:8), and in Del Monte's strangehold over 17,000 acres of prime Filipino land at ridiculously low rental and profit-taxation rates[12](NACLA,1976b:18).

The intensified marginalization of UDC peasants is well illustrated in NACLA's(1976b) case-study of one of the largest U.S. agribusiness firm, Del Monte. Its sweet corn, peas and asparagus canning operations in Mexico has increased land concentration and rural wealth while relying on a cheap, repressed largely seasonal labor-force drawn from the many rural unemployed and underemployed. In the Philippines, Del Monte's pineapple plantations and canneries have been extremely lucrative, thanks to Marcos's repressive labor policies.[13] Furthermore, agribusiness firms naturally tend to exploit and plunder UDC agricultural resources to the greatest extent possible,

> without investing more know-how and technology than is strictly necessary and by transferring only enough to keep production and processing going without raising costs unduly (Feder, 1976a: 1075).

This kind of partial or lower-quality technology transfers in effect lead to "ultra-rapid waste and depletion of natural resources and the super-exploitation of the labor-force", not agricultural development as agribusiness supporters like the ODC claim happens.

In short, the ODC's favorable assessment of and faith in MNC agribusiness reflects more an ideological defense and promotion of profit-making interests of such MNCs (of which several key firms like GF, General Mills, Cargill, and Ralston Purina are ODC supporters), than of a geniune and constructive concern for mass underdevelopment.

MNC Export-Industrialization

A third item in ODC's advocacy of MNCs as "agents of development" concerns their emergent participation in "export industrialization" in UDCs. As earlier discussed[14], the ODC urges a vigorous export-oriented industrialization strategy for UDCs as a means of overcoming the Third World's traditional role as raw-materials suppliers. Certain East Asian UDCs like Taiwan and South Korea are especially singled out as having achieved success in this arena while at the same time apparently meeting mass "development" needs. But before critically dissecting the ODC 's stance, it is instructive to look at some of the facts of export-oriented manufacturing by UDCs in today's world economy(Morrison,1976:14-22).

Between 1962 and 1971, UDC manufactured exports have increased at about 15.5% a year. However, only a relatively few UDCs account for the bulk of the most recent dynamic growth. For example, during the 60's, leaders in growth rates were South Korea(77%), Taiwan(37%), Singapore(28%), Pakistan(24%), Mexico(20%) and HongKong (20%). Also, almost 60% of total manufactured exports from UDCs come from the East Asian countries. In terms of products, UDC manufactures to DCs concentrated on clothing(25% of total at end of 60's), textiles(24%), engineering/metal products(17%), and miscellaneous light manufactures(15%). As for markets, the major importers are the U.S.(42.5% by 1969), the EEC(27%), U.K.(13.5%) and Japan(5%). Finally, the top ten UDCs by end of 1969 in volume of manufactured exports to OECD nations were in descending order: HongKong, India,Taiwan, Korea, Mexico, Pakistan, Iran, Philippines, Singapore, and Brazil.

These facts help expose ODC's deficient analysis of the virtues of export-industrialization policies. Why does the ODC only harp on the "success" of East Asian models like South Korea or Taiwan? Why not too other cases of dynamic export-orientation such as Mexico, Brazil, and the Philippines--after all,the same major MNCs and similar production processes are involved. This selective assessment must be due to the fact that those unlauded UDCs, in spite of export-oriented economies, have dismal records of meeting mass basic-needs, as reflected in social indicators like income distribution and infant mortality; whereas the East Asian "successes" perform better on such inidcators and thereby lend support to ODC's "equity-oriented development" strategy in which MNC-led export-industrialization plays a salutary role. This is clearly less than objective analysis --if dynamic export-oriented policies are "constructive" to UDC "development", it behooves the ODC to investigate why so many other export-oriented UDCs find "success" so problematic.

Furthermore, and more importantly, how valid is it to talk about "success" in East Asian UDCs? What actual benefits have accrued to either South Korean or Taiwanese masses from their dynamic export-based and MNC-dominated growth? In fact, critical analysis of South Korea's "miracle" shows that underdeveloped masses in other UDCs should expect little real development and more dependency and exploitation, even if per capita GNP or even overall income distribution improves relative to poorer less-industrialized UDCs.

At least one serious result of South Korea's export-orientation policies is the worsening debt burdens ($5 billion, 1974) required to finance the high import-content of its exports.[14] Also, despite the export expansion, a substantial trade deficit has occurred since 1962, rising to nearly $2.5 billion in 1974. And as various critical analysts documented[15], there are significant anti-development consequences not cited in modernization reports. These include super-exploitation of export-industry workers; agricultural neglect to create a vast labor reserve; social underdevelopment(e.g.urban slum growth); and export of South Korean contract-labor to meet the huge appetite for foreign exchange. In sum, South Korea's model of export-expansion and unbridled freedom to MNCs only increases national dependency to benefit foreign investors and to satiate the opulence of elite compradors, technocrats, and politico-military personnel. Could this be what ODC envisages as a "development" model for other UDCs?

As for the other East Asian successes which ODC lauds, it is necessary to consider the slightly "better" socio-economic results attained in HongKong, Taiwan and Singapore(compared to South Korea) in a total historical and political-economic framework. When so assessed, they turn out to be more "special" cases than a model typical of and for the bulk of ODCs. As discussed in the next sub-section, Taiwan had certain unique historical conditions which facilitated a more balanced rural-urban development strategy. Both HongKong and Singapore are, of course, virtual city-states, without the problematic rural-agricultural sector typical of UDC peripheries. Also, both(especially HongKong) have the "advantages" of being the major financial centers for the Asian-Pacific region. Finally, this does not mean that labor is any less exploited in their export-industries, or that such exploitation is not based upon necessary political repression, or that there are no poor(if not starving) citizens(HKRP,1974; Frank,1977:337).

In short, the ODC's advocacy of export-industrialization in UDCs is predicated upon selective focusing on a few UDCs who have apparently been more "successful" in meeting certain basic-needs of their masses, and upon positing these as transferable models for other UDCs. As I have argued, many other export-oriented UDCs(including nearby Philippines or Brazil or Mexico) suffer increased underdevelopment from foreign-investment in export-promotion. And even one of the "successful" East Asian UDCs is really not promoting real mass-development. These are serious empirical and analytical deficiencies in ODC's ideology about MNCs as "agents of development". The underlying theoretical deficiency, however, lies in the

ODC's failure(or unwillingness) to critically locate DC and MNC-favored policies of UDC export-manufacturing expansion in the structural flux of world capitalism. As Froebel et al.(1976) observe, the world capitalist system is entering a qualitatively changing phase of capital expansion and accumulation based on a new international division of labor. Specifically, the increasing relocation of parts of industrial production from capitalist centers to UDC peripheries and even "non-capitalist" regions, is shaped by the following conditions: the development of a huge worldwide industrial reserve workforce, especially in UDCs, available at one-fourth to one-twentieth the wage rates in Center sites, yet roughly similarly productive; the tight labor control in peripheries sustained by UDC State-authoritarianism and the high unemployment levels; the super-favorable exploitation climate vis-a-vis pollution standards, proximity to cheap raw-materials, and UDC State-provided incentives(e.g.tax/tariff exemptions; ready-made infrastructure); technological innovations permitting unskilled labor to perform pieces of complex production processes; development of an international capital market serving global capital utilization; and institutionalization of an international superstructure to regulate monetary and commercial transactions (e.g.IMF,GATT).

In other words, by advocating MNC-led export-promotion policies for UDCs, the ODC is basically concurring with this development of a new international division of labor and thereby of the repressive political and social formations required by and which have fostered such a new phase in imperialist accumulation. To prognosticate, as the ODC does, that this mode of dependent industrialization will serve mass development needs is surely more ideological deception than objective social analysis. Finally, as well, the notion of "industrialization" is highly specious, since it is largely import-dependent assembly or light to medium manufatcuring operations dominated by MNC technological control[16], and unlinked to development of an autonomous basic industrialization(Constantino,1977:46ff).

SMALL FARMER "DEVELOPMENT"

A major thrust of ODC ideology in favor of a "basic-needs strategy" is the promotion of small-farmer "development".[17] It is conceded that the majority of UDC rural masses, the small peasant, has been neglected by "trickle-down" growth policies. Even the much lauded Green Revolution is admitted as having benefited richer or larger farmer, rather than and often at the expense of poorer farmers and peasant workers. But such problems, contends the ODC, should not deter UDC agricultural modernization through Green Revolution and other MNC-induced technological innovations. Required instead are greater efforts at gradualistic reform of existing political-economic inequities. Targeted at small farmers and poor peasants, ODC-advocated changes include land-reform, improved financial infrastructure for small farmers, labor-intensive technology-use, and agricultural diversification into areas like fruits, vegetables, feedgrains and livestock/poultry industries.

Agribusiness Contracts

As earlier noted, MNC agribusiness has not served mass basic-needs. Rather, it has consolidated and accentuated inequalities within UDC agriculture. ODC experts may, however, protest that agribusiness MNCs do not deal only with large farmers, and that via production contracts, they also give commercial contracts to small land-holders. But as Feder(1976a:1070,1076) pointed out, small contract producers --besides being lowly prioritized in the agribusiness system--are most easily subject to manipulation and become the MNC's convenient shield against market fluctuations.[18] Indeed, the MNC agribusiness profit-making complex tends to squeeze out small farmers. Thus while agribusiness investments have introduced some agricultural diversification, and the new exports may be more profitable than some traditional agricultural commodities, there is no evidence that the mass of small peasants are beneficiaries from such an ODC-lauded rural reform.

Land-Reform

A second often-cited remedy in ODC's "rural development" strategy is the tactic of land-reform. In the lexicon of "development theory", this is certainly not something new. What is questionable is that writing in the 1970's, ODC experts can still blandly call for land-reform without a hard look at its sorry record, over the past five decades, in most dependent UDCs where it is not part of a revolutionary socialist transformation. For example, in the classic unequal land-tenure systems of Latin America, governmental land-reform efforts--backed by the U.S.State worried about Cuban-style revolutions--have barely touched the broad masses of exploited campesinos. Cast within the established legal and political-economic structures, the land-reform laws have safeguarded latifundia interests more than poor peasants.[20] Simultaneously, estate-owners have launched obstructive politico-military counter-reform campaigns(Feder,1971:171-258).

Similarly, in other UDCs with similar land-tenure inequalities and where the landed elites wield great power in the State structure, land-reforms have been quite ineffective. In India, for example, land legislation started in 1948 was effectively evaded via politically nefarious and coercive methods by the zamindars and lesser landlords. Though the traditional landlordship forms were eliminated by the early 1960s, the basic structure of exploitation and dependency of the peasant masses(e.g.tenancy farming; inequitable land-holdings) remains. Simultaneously, a class of kulaks or rich peasants now dominate Indian agriculture(Sharma,1973:87ff). In neighboring Pakistan, the Western-hailed land-reforms under Ayub Khan actually "left intact the entire system of feudal relationships in the countryside" (Ali,1970:46ff). And in the Philippines, as well as in pre-liberated South Vietnam, land-reform urged by the U.S. (as a startegic weapon against the HUK and NLF liberation movements) were respectively aborted by Filipino landlord interests and in the South Vietnamese case acted as counter-reforms to the NLF's far-reaching revolutionary program (McCoy, 1971:27ff).

A final defect of modernistic land-reforms concerns peasant minorities who do receive legal title to individual small plots. Where the overall exploitative agrarian political-economy has remained untransformed, the tendency in fact is to make such possession effectively meaningless. Over-small and inferior plots soon force the minifarmers to rent out to large owners and to join the rural proletariat (NACLA, 1976c:7,18ff).

In the face of such a dismal record of modernization style piecemeal land-reform--one that the ODC, however, conveniently ignores--the call for more of the same-style reform by ODC experts is another clear indicator of their inability or unwillingness to understand the roots of underdevelopment. The "welfare" of elites seems more important than their professed goal of meeting mass basic-needs. Simultaneously, revolutionary mass reforms are dogmatically rejected.

Cooperatives

ODC experts often argue that they do not merely advocate land reform per se--other agrarian support programs should also be implemented. For small farmers, the provision of financial and other commercial facilities via cooperatives is most often suggested in ODC literature. Here again, ODC analysis disregards the empirical realities behind their desired changes. In fact, the notion of cooperatives and other rural institutions to cater to small, poor UDC peasants was already popular by the 50's in modernization ideology.

But in practice, their overall performance has been scarcely impressive:

> Cooperatives usually have disproportionately benefited a minority of members--those already better off. Poorer groups have often been in effect--or blatantly--excluded from membership. Local "big men" tend to dominate the cooperatives through their wealth, power and status. They have the collateral, the substantial farms, and the influence to obtain a major share of a limited supply of credit and inputs. Often, they simply relend at higher rates of interest to others who have been excluded from access. Independent cooperatives of the poorest peasants when they do exist may be little more than token institutions. If they ever threaten existing interests they are liable to serious attack and may be forced out of operation altogether. (Apthorpe,1977:6).

This story is told in UDCs ranging from India(Bettelheim, 1971:196ff) and Thailand(Thaxton,1974:261ff), to Iran (Halliday,1979:121) and East Africa(Hyden,1970:67). Furthermore, even when the State has officially created institutions(e.g.credit banks) to serve poor farmers, the prevalence of bureaucratic corruption and oppression only perpetuates peasant dependency and acts as an additional exploitative source. For instance, Mexican peasants who rely on State banks for credit, inputs, and sales, are paid below-market prices by corrupt officials(NACLA,1976c:19).

But perhaps one of the best counter-examples to the ODC's faith in modernization reforms lies in the Comilla Project of East Pakistan(Bangladesh). Begun in 1959, it is often cited by modernization experts as a model "rural development" program that would truly benefit small farmers. The project sought to promote agricultural growth via credit cooperatives, which were used to introduce new production technologies, mobilize rural credit, and create grass-roots rural-development institutions. While during the mid -60's, the project seemed to be succeeding, later years have seen the monopolization of programme benefits, including increased growth, by the larger farmers. As Blair(1978) observed, the unequal political-economic structures at the micro-level(e.g.usurpation of credit, irrigation and other cooperatives by kulaks) and the macro-level(e.g.kulak-bureaucracy linkages that prevent land-reforms and divert State agricultural subsidies to larger farmers) ensured that "the true small farmer and landless labor benefit very little, if at all."

Japan and Taiwan

Given the above plethora of social realities embodied in repressive and exploitative structures of underdevelopment, which ODC either ignores or glosses over, on what empirical grounds then can the ODC justify its belief in the efficacy of modernistic, gradual, piece-meal "peaceful" reforms to benefit small farmers or poor peasants. In ODC's voluminuous literature, the most frequently cited "successful" models of "rural development" turns out to be Japan and Taiwan. As I earlier summarized[21]

> Japan and Taiwan are deemed exemplary in their gradual adoption of technology, effective land-reform programs and credit-extension-irrigation facilities for small farmers."This enabled agricultural development and resulting structural transformation to proceed without a sharp division between different classes of producers within the whole agricultural sector".

The critical question here is, how valid are the Japanese and Taiwanese experiences as transferable models for other UDCs?

In Japan's case, as McCoy(1971:18ff,44) notes, increased rural prosperity was not primarily due to the U.S. post-war sponsored land-reform campaign. Other factors were responsible,like government price supports and industrial employment for the rural population. Besides, the U.S.land-reform strategy was basically counter-revolutionary in design, so that political-economic dependency of small farmers continued. But most importantly, the fact that over 50 years ago the Japanese State had initiated a process of autonomous capitalist development which linked rural with industrial growth, makes its experience quite untypical vis-a-vis the dependent underdeveloped UDC situation.

As for Taiwan, modernization experts typically attribute "success" to an effective land-reform(which was implemented by the Chiang regime over 1949-54 with U.S. aid and advice); to the advantage of compact size and the inherited Japanese-colonial physical and institutional infrastructure investments in rural areas; to continued agricultural investment in the post-colonial era, in conjunction with decentralized labor-intensive rural industrialization which reduced factor-price distortions, provided rural employment, closed the rural-urban gap, and improved overall income distribution; and to investments in mass health and education(Ranis,1978; Griffin,1973). When critical yardsticks are applied, however, this modernization story of "success" loses much of its luster. For one thing, prior to Chiang's land-reform, the large landholding class on Taiwan was relatively insignificant and and therefore constituted no strong opposition force(Tai, 1974:88,23).[22] Secondly,as McCoy(1971:24ff) argues, the individualistic-oriented land-reform measures fostered land fragmentation and generated agricultural inefficiency. Though camouflaged by intensive U.S. aid, this problem turned into a productivitycrisis by the late 60's. As a result, the regime began merging small farms into large-scale mechanized cooperatives.

Thirdly, and most importantly, the Taiwanese "success" was bought at the costs of massive aid dependency on the U.S. and an open-door policy to U.S. and other MNC-investments. By 1969, 100 U.S. and 200 Japanese firms were operating in Taiwan. Since, as earlier discussed, the growth of MNC penetration in UDC export-industries reflects the super-exploitation possible from cheap labor costs[23] and other UDC State-sponsored incentives, it is difficult to see what further mass economic progress can be possible on Taiwan, not to mention the political repression and perpetuated elitist privileges built into the sinews of such a "development" model.

In sum, ODC's much lauded "success" on Taiwan is basically a scheme for dependent integration into the world capitalist political-economy, an integration with definite limits on promoting long-run mass development. Besides, certain historical and geographical features place Taiwan quite far from the typical underdeveloped UDC case. This is not to deny that certain general development principles, such as decentralized rural industrialization or mass literacy and health, apparent in the Taiwanese case, make sense in any scheme for mass development. But why those general principles are preferred in the context of capitalistic dependency and imperialism, rather than an alternative autonomous socialist-revolutionary framework, is essentially a reflection of ODC's political sympathies than objective social analysis.

World Bank's Mini-Green Revolution

For a final cogent comment on the kind of small-farmer development advocated by the ODC, it is appropos to refer to the emergent critique of the World Bank's recent "rural-poverty" emphasis, which bears striking similarities to ODC ideology. As critical analysts have shown, the Green Revolution sponsored by modernization agencies through the 60's eventually worsened mass impoverishment while enriching landed elites or richer peasants as well as MNC agribusiness, with a consequent sharpening of the rural class struggle(Cleaver,1972; Skorov,1973; George,1976:113ff; Sharma,1972). Conceding such problems, World Bank President McNamara launched in 1973 the World Bank's new "rural development" strategy targeted at the "rural poor". His plan is to help the some 100 million poor smallholders in UDCs increase output by providing them with simple production inputs like seeds, fertilizers, and pesticides--in other words, initiate a mini-Green Revolution among poor small land-holders.

But as Feder(1976b) has cogently analyzed, McNamara's scheme contains fatal deficiencies. Apart from ignoring the plight of hundreds of millions of landless peasants, the scale of projected Bank expenditures on the program would take at least six decades to help the target population, which would by then have grown to 150 million, and thereby worsened the land fragementation problem unless radical collectivization is undertaken. But more seriously, the Bank's criteria of repayable loans would tend to benefit first the larger-plot peasants, and set in motion capitalist expansion and competition edging out worse-off peasants, causing more landlessness and unemployment. Also, since the Bank and other DC agencies will continue to promote dependent agri-modernization of the landed elite, the latter will continue to seek land concentration, including the now value-added (Bank-aided) smallholdings. To paraphrase Feder's (1976b:352) apt conclusion:

> This is why the new World Bank (or ODC) programme (of small-farmer development) means the self-liquidation of the third-world peasantry.
>
> The only positive aspects of McNamara's (or ODC's) plans...lie in the increased business for the multinational (or national) feed, seed, fertilizer, irrigation equipment or other input-manufacturing and the merchandizing firms.

FOREIGN AID REALITIES

As a foreign-policy planning group born out of the activities of the Perkins Presidential Commission on U.S. foreign-aid, the ODC has naturally been in the thick of Washington's aid-lobbying affairs. In Section II, I documented how ODC experts commanded continual and substantial attention before Congressional aid committees. In Section III, the ODC was shown to project the latest trend in modernistic analysis--that is, apart from a call for reorientation towards the "basic-needs" strategy and a muted complaint about military aid, U.S. aid has been and will continue to be helpful to UDC "development". Radical criticisms of aid are deemed unconstructive and less than objective. Since the concept of basic-needs development has been dealt with in preceding sub-sections, it suffices in the following critique to focus on some other major theoretical-and-empirical flaws in ODC's aid-ideology.

Economic Assistance

With regard to bilateral economic(non-military) assistance, the ODC's favorable assessment reflects a refusal to consider abundant evidence of the dependency-fostering and imperialistic-serving impact of prevailing U.S. aid. Above all, economic assistance has been designed to mould dependent capitalist-modernization in UDCs, in which the promotion of U.S. exports(by aid-tying) and of private enterprise are principal goals(Hudson,1971; NACLA, 1971:42ff). As one USAID Administrator admits,

> USAID helps bring the creative force of private initiative into the development process...Our programs are designed to stimulate the private sector in recipient countries (Gaud,1967:73).

Besides promoting U.S. exports, which of course favorably impacts on U.S. balance-of-payments[24] but not on appropriate UDC technology-use, "stimulating" the private-sector in UDCs via aid has integrally meant advancing the interests of U.S. foreign-investment. Thus in the "Alliance for Progress" aid-modernization scheme for Latin America, USAID, U.S. embassies and Federal departments like Commerce assist U.S. MNC-expansionism through feasibility studies, manpower training, concessional loans, investment-promotion services, infrastructure-aid and contracts to supply USAID projects (NACLA,1971:43ff; Tobis,1968). Similar advantages are advertised by USAID officials to attract U.S. business to invest in Africa(Smith,1968).

In Asia, of course, client-States like Taiwan and South Korea have been moulded into chronic dependency by U.S. aid. So too in the Philippines, where the focus on exploiting the country's rich natural and land resources directed massive aid into infrastructure and rural modernization, as well as reshaping Filipino education, to serve MNC needs(Pomeroy,1974:103ff). In Indonesia, after Suharto's ascendancy, it was a group of Ford Foundation-USAID sponsored economists ("the Berkeley boys") who formulated Indonesia's breakneck descent into MNC-dominated dependency(Ransom,1975).

Last but not least, the MNC-U.S. economic aid nexus is locatable in even what is popularly (mis)conceived as international "charity", namely food-aid. In practice, the terms of PL480 food-aid(legislated in 1954) primarily serve U.S. farm-exporters and controlling agribusiness MNCs, since it (a)allowed expedient disposal of farm surpluses; (b)helped build up future lucrative commercial markets for U.S. agricultural exports[25]; (c)principally benefited U.S. agribusiness MNCs via use of PL480 proceeds to set up joint UDC-MNC ventures[26], and since PL480 sales are handled by the MNCs themselves(George,1976:192ff; Hudson,1972:145ff).

On the UDC side of the ledger, there is one particularly serious consequence of food aid on UDC agriculture, namely the disincentive it gives to local food-growing sufficiency and its frequent diversion to placate the urban middle-class,as in Bangladesh(Bird & Goldmark,1977; George,1976: 206). But no less anti-developmental is the use of PL480 -generated local funds($2.2 billion over 1954-73) to build up UDC repressive apparatuses in such client States as South Korea, pre-liberated Vietnam, Shah's Iran, Indonesia and the Philippines(George,1976:205).

These kinds of critical facts or analysis are obvious nonentities in ODC's foreign-aid ideology, just as is the growing importance of U.S. food-aid as a political weapon in global U.S. foreign-policy, whereby aid is withdrawn from "break-away" UDCs (e.g.Allende's Chile; liberated IndoChina) and concentrated on strategically allied countries(e.g.Korea,Vietnam,Philippines). From former Agriculture Secretary Earl Butz's statement that "food is a weapon", now a "principal tool" in America's negotiating kit, to rattling of the U.S. food-sabre in response to OPEC and potential UDC cartelization pressures, it is clear that food-aid is quite remote from its popular image of U.S. "humanitarianism" for starving people(George,1976: 209ff; NACLA,1975b:12ff).

In sum, U.S. bilateral-economic assistance in design and impact is an integral thread in the web of imperialism and dependency suffocating UDC development.

But what of the other major mode of aid-giving--multilateral aid as dispensed by various international agencies,notably the World Bank group, the IMF, and regional "development" banks(e.g.IDB,ADB).

Multilateral Aid

Like its close supporters, the Perkins and Peterson Presidential aid commissions of the late 60's/early 70's, the ODC strongly advocates increasing the share of multilateral aid in total U.S. assistance[27]. Multilateralism is said to help transcend immediate U.S. political interests in aid-giving and thereby benefit "development" per se. Looking at the statistics, it is seen that in practice the multilateral component of U.S. aid has steadily risen from about 9% in the early 60's, to 25% over 1970-73(except 10%, 1971) to an average of 38% over 1974-77. The year 1976 saw a high share of 53%, which dropped to 30% the next year.[28] Thus the U.S. State appears to see some if not total merit in a greater multilateral emphasis.

The crucial question is, of course, whether multilateral aid agencies do transcend "immediate political interests" and really foster mass-development. On the basis of emergent critical analysis, the answer is a simple "hardly". The record of agencies like IBRD, IMF and regional "development" banks shows them to be key abettors in DC imperialism and UDC dependency. Thus in her pioneering investigation of the Latin American activities of IBRD, USAID, and IMF, Hayter(1971) demonstrated the imperialistic leverage of not just USAID but also the multilateral agencies:

> the agencies' policies...cannot accept changes in (UDCs) which might enganger existing patterns of international trade, foreign private investment, the regular servicing and repayment of debts, and other...general concerns of the capitalist developed or creditor countries. There is a strong emphasis ...on...free enterprise...market mechanisms and... respect of private property, domestic and especially foreign......Right-wing and military dictatorships with little or no concern for (mass) development... are acceptable, and indeed typical recipients of aid so long as they offer the prospect of economic and financial stability (Hayter,1971:151ff).

In these comments, the modernization ethos of the multilateral agencies is quite obvious, and indeed, the World Bank frankly admits reliance on the modernization paradigm to formulate its "development" strategy(Adler,1977). Thus in line with "preconditions to growth" concepts of the 50's and 60's, Bank lending concentrated on financing infrastructure investment. Such loans circa 1948-62 accounted for some 78% of IBRD and IDA total lending, and between 1962-72 still a hefty 70%. As argued earlier, this kind of infrastructure building, within a perpetuated capitalist dependency, serves as a subsidy to foreign investment(which requires the infrastructure) by the UDC State(which has to repay the loans).

While during the 60's, the Bank did shift more attention to directly productive investments(industry, tourism,agriculture) and "human resource development" (education,technical assistance), still, as Adler admits,

> the Bank continued to rely on the historical experience of the advanced countries whose industrialization and income growth had been brought about by private entrepreneurial initiative (emphasis added).

Finally, influenced by the "equity-with-growth" movement among modernization social scientists, the Bank in 1973 formally announced its "commitment" to intensify aid efforts on the "absolute poor" (small farmers, landless peasants, rural workers, urban poor) in UDCs. Bank loans have relatively increased for "rural development" projects, from about 4% of total lending over 1948-67 to 12%(1968-72) to 18%(1973-77). The theme of "basic-needs development" has become standard fare in Bank President McNamara's(1976, 1977,1978,1979) Annual Addresses, and the so-called "comprehensive or integrated rural development" project is becoming popular (Yudelman,1977).

However, as one critical analyst earlier cited has trenchantly observed(Feder,1976b), McNamara's professed scheme to help the rural poor is only a facade. A mini-Green Revolution, just as the preceding big Green Revolution, will only strengthen the political-economic forces of inequality, exploitation and underdevelopment. A more recent critique by Stryker(1979) concurs with Feder's prognosis, and further elaborates on the critical assisting role of the World Bank in agribusiness penetration of UDCs.[29] "In these activities, the Bank can be viewed as a vanguard of the latest phase of capitalist expansion, in which the resource-rich Third World is fully incorporated into the capitalist world-economy." Furthermore, Bank lending data shows that despite the much trumpeted "new" rural-poverty emphasis, about one-half of recent Bank agricultural projects have little or no poverty-focussed impact, while in the remaining projects, leakage to non-poor farmers approach 50%. Finally, but not least, Bank lending is concentrated on

> resolutely non-reformist regimes (including) several of the most politically repressive and socially unresponsive regimes..(whose) rise in the ranks of borrowers followed the overthrow of previously more progressive governments or the intensification of repression by existing governments (Stryker,1979:333).

In the latter regard, the ODC's conception of multilateral agencies like the World Bank to be above immediate or U.S. political interests is clearly a myth. Witness the recent known examples of Chile, where the Bank and other aid agencies dried up loans to Allende as part of the U.S.-engineered destabilization effort (Inostroza,1972; NACLA, 1973:25), and of pre-liberated South Vietnam, where the U.S. State, facing domestic anti-war opposition to more bilateral aid, resorted to pressure on the World Bank for multilateral funds to prop up Thieu's tottering economy (Kolko,1975).

With respect to regional agencies like the IDB and ADB--both of which are within the ODC's support-network (supra:162ff)--systematic in-depth critical analysis remains to be done. But an article on the ADB by deCamp (1974) and my reading of various ADB or IDB annual reports and documents[30] indicate no deviation from modernization themes in the strategy, policies and operations of such regional "development" agencies. The IDB and ADB effectively serve to promote the U.S. and other DCs'(e.g.Japan in Asia) demand form "stability" in their respective regions. In their operations, they collaborate with bilateral agencies(e.g.USAID) and the World Bank group to modernize Latin American or Asian UDCs for the short-term and long-run benefit of DC foreign investment(e.g.Green Revolution;industrial and rural infrastructure; joint ventures; raw-material exploitation).

Finally, a critique of multilateral aid must include Payer's(1974) excellent investigation into the activities of the International Monetary Fund(IMF), which like the World Bank was a creation of the Bretton Woods Conference.[31] Although the IMF is involved expressly with making short-term loans for balance-of-payments support and the financial stabilization policies conditional to such loans, whereas the World Bank looks after "development" projects, there is an intimate functional relationship between the two bodies. Their relations, however, makes the IMF a decisive shaper of the allowed boundaries of "development". Thus

> all of the major sources of credit in the developed capitalist world, whether private lenders, governments, or multilateral institutions such as the World Bank group, will refuse to lend to a country which persists in defying IMF advice. The real importance of the IMF lies in the authority delegated to it by the governments and capital markets of the entire capitalist world (Payer,1974:x).

As Payer's case-studies of the Philippines, Brazil, India, Chile, and Indonesia demonstrate, the IMF's "stabilization" programme(e.g. abolition or liberalization of foreign exchanges and import controls; domestic anti-inflationary programmes; greater hospitality to foreign investment) is designed primarily to promote international flows of trade and investment which benefit the First World rather than meet mass needs. UDCs are encouraged under IMF principles to depend heavily on foreign aid, and in effect sink deeper and deeper into the "debt trap". The ODC's sanguine attitude towards UDC debt-burdens is thus yet another reflection of its approval of UDC dependency.

Meanwhile, apart from the industrial or agribusiness MNCs which benefit from multilateral aid projects, the MNC banks too --of whom key U.S. firms are ODC supporters--are increasingly attracted to lending to UDCs under the protective umbrella of the IMF or "development" banks. This trend of increased private-bank lending to UDCs, which ODC approves(supra:286), spells an even more exploitative debt burden, since private loans work on short-term maximum-profit mechanisms in contrast to more concessional long-term public loans. An increased repressive squeeze on the masses to yield more surplus-value to pay debts will be the consequence, not the mass-development anticipated by the ODC. In short, multilateralization of aid--under the mantle of an "internationalist" image, supposedly transcending national self-interests-- complements bilateral aid.

Politico-Military Aid

A last but not least serious flaw in ODC's foreign-aid ideology concerns the issue of U.S. politico-military assistance. Granted, a few ODC experts did express a dislike for such forms of aid and advocated its de-emphasis. But if the ODC professes to improve public understanding of U.S.-UDC relations, surely it is grossly derelict not to lay bare the sordid facts of U.S.politico-military aid, and not to view U.S. aid in a holistic totality of which the military component has been and continues to be an inseperable ingredient as long as U.S. imperialism exists. As earlier analyzed(supra:51ff), the history of U.S. aid really began with the post-WWII ripening of a global containment strategy which foremost required, and still requires, military dependency of UDC "allies". Since details of politico-military containment have already been given, it suffices to add the following critical comments.

To begin with, U.S. military aid actually rose relative to economic aid through the 60's, from 26% in 1967 to 46% in 1971. In 1974, military's share was still officially 36%.[32] Since the bulk of U.S.military aid supplies go to UDC regimes renowned for mass repression[33], it is quite hypocritical that the ODC--with all its talk about mass-needs and human rights--fails to acquaint its constituents with these basic facts. And worse still is the ODC's failure to expose the instrumental role of military aid in fostering a "stable" secure environment for economic penetration by U.S. and other capital.

Another economic factor behind U.S. military aid that the ODC chooses not to notice is the so-called military-industrial complex(Galloway,1972). Selling arms abroad is big business, worth about $1 billion per year in aid contracts. Hence the top defense contractors have strong vested interests in continued and increasing U.S. military aid. Perhaps, since several top defense-related MNCs(e.g. GE,ITT,IBM) are on ODC's power-network, the ODC's silence on this issue is understandable. Furthermore, besides being lobbied by the weapons firms, arms sales is also linked to a larger dynamic at work in the U.S. capitalist system. This is the reliance on military spending as an expedient government tactic to stimulate aggregate demand. With the prevailing crisis of stagflation and increasing competitition from capitalist allies, "the probabilities of a return(by the U.S.) to military Keynesianism have to be judged as high"(Reich,1972,1977).

Thus, despite a rhetoric about "human rights", Carter's policy of "arms restraint amount to little more than 'business as usual'"(Klare,1977). Granted, in its latest annual Agenda for Action, the ODC did cite one case where Carter's "human rights" emphasis does not jibe with increased U.S. military aid(viz,South Korea) and to warn that such inconsistency may lead to the criticism of "double standards"(McLaughlin,1979:107). But this one example followed by such trivial rebuke really does nothing to awaken the U.S. public's consciousness on the military/ economic aid-dependency-imperialism complex.

In sum, the ODC's ideology on foreign aid creates myths about the constructiveness of past, present and future aid to UDC "development". In seeking to integrate UDCs even more deeply into the world capitalist order, aid ODC-style (for all its rhetoric about "human rights" and mass basic-needs) will indeed modernize the Third World, some parts more and quicker than others, but invariably at the expense of geniune mass-development.

THE LIMITS OF THE NIEO

Evoking the image of a "new deal" on the global scale, the ODC generally supports reforms of the international trading and financial regimes, somewhat along the lines of an NIEO demanded by the "Group of 77" UDC-bloc. The NIEO issue is deemed to afford the U.S. a good opportunity to practice "accommodation" tactics based on the exigencies of "interdependence". Hence the U.S.'s initial posture of unyielding rejection of the NIEO was criticized, and even later American "softening" via Kissinger's concessions at the U.N. in 1975 was admonished as insufficiently responsive. For after all, Third World "solidarity" is not as powerful as the NIEO rhetoric or the various UDC-bloc forums(e.g. UNCTAD--U.N.Conference on Trade & Development) appear to suggest. And , most importantly, the ODC admits that most UDCs seek not radical structural transformation , but only "moderate" reforms which will benefit both UDCs and DCs.

This admission, however, is only half-valid. True, many UDC regimes know that their vested interests are sustained by a patron-client relationship with DCs and are unlikely to over-"rock-the-boat". But what needs refutation is ODC's projected view that "moderate" NIEO reforms will be beneficial to UDC development. As emerging critical analysis shows, the NIEO now being negotiated will have little impact on eradicating the roots of global inequalities. This critical conclusion is based on examining (a)the issue of "trade preferences" for UDC goods, as pushed for by UNCTAD; (b)the realities behind the Lome trade convention signed by EEC members and 46 UDCs in 1975; (c)the consequences of UNCTAD IV held at Nairobi in 1976; and (d)the overall political-economic limits of the NIEO.

Trade Preferences

Since UNCTAD emerged in 1964 as a forum for UDCs to voice grievances on the inequities of international trading, one key demand has been for a GSP(Generalized Scheme of Preferences) which would facilitate access of UDC agricultural and manufactured products into DC markets. Around 1971-72, after nearly a decade of UNCTAD's efforts, DCs eventually accepted the GSP principle. The critical question though is just what the UDCs have really gained: Here, Nabudere's(1975:336) analysis of various implemented schemes shows that for, say, 1970, only perhaps one-quarter of all UDC-imports entering DCs could have benefited. This is because (a)only a limited range of products qualify for preferences, and (b)existing GATT rules already exempt some two-thirds of total UDC imports from duty. Besides, the major beneficiaries would be the more "developed" UDCs, while various safeguards or escape clauses preserve de facto DC trading dominance. Thus the export increases envisaged by UDCs from GSP are really quite negligible. But most importantly, from a critical perspective, the possible growth of certain manufacturing enterprises in UDCs due to GSP incentives must be interpreted as constructive to the emergence of a new but still unequal international division of labor, as earlier discussed in my critique of ODC's stance on MNCs. In this light, the recent receptivity of DCs to a GSP is not difficult to understand.

Lome Convention

Can the same cricisms be applied to the Lome Convention, signed in 1975 between the nine EEC nations and 46 ACP(African,Carribean,Pacific) UDCs? The Convention instituted "new" trading and marketing arrangements apparently designed to meet some NIEO-type demands, including free access of ACP manufactures to the EEC, protection for ACP industries from EEC products, lowered tariffs, stabilization of some raw-materials' earnings, and increased EEC aid.

As Galtung(1976) observed, on surface the Lome agreement reflects "more a convention between equals and less of a convention between neo-colonies and their former masters than was the case for the predecessor, the Yaounde Convention." But his closer examination reveals (a)the flaw that the price stabilization scheme does not in itself guarantee improved terms of trade; (b)that the emphasis on increased trading, processing and production in economistic terms should stimulate local capitalism but unlikely to foster mass development; and (c)that the slight increase in industrial capacity possible in some of the ACP signatories will invariably be diverted to uses other than meeting basic needs, while being expedient to a changing DC industrial structure. In sum,

> the essence of the Lome Convention is the continuation of internationalized capitalism, the continued flow of raw production factors in one direction and processed materials in the other(Galtung,1976:40).

UNCTAD IV

A third indicator of the real limits set on the eventual shape of an "NIEO" and accepted by most UDCs was the failure of UNCTAD(Nairobi,1976) to realize any concrete radical gains for the Third World. Although the list of demands brought to UNCTAD IV by the "Group of 77" UDC-bloc spanned typical NIEO issues, the Group decided to concentrate on two major issues. They were (a)an integrated commodity programme to achieve stabilization of commodity prices and export earnings, indexation of commodity prices to DC-manufacture prices, access to protected markets, and expansion of raw-material processing in UDCs; and (b)the problem of worsening UDC indebtedness. Within the integrated commodity programme, the Group-of-77 specifically pushed for a "Common Fund" to finance buffer stocks, while on the debt problem, a debt moratorium was seen as the key solution(Sideri,1976:487ff).

In the first place, as Amin(1976:310) pointed out, these demands were already "highly timid" in nature. For example, to opt for a "common fund" for stabilization of commodity prices based on joint producer-consumer cooperation, rather than a Third World-controlled output-based "solidarity fund" and UDC producer-cartels, is in effect to stabilize the unequal terms of UDC commodity trade.

But despite their rather modest character, UDC demands at UNCTAD IV still failed to gain First World approval. Notwithstanding last-minute vague "compromise" resolutions(amply qualified by DCs), it is clear that like all previous three conferences, UNCTAD IV had miserably failed (Sideri,1976; Amin,1976; Holthe & Ofstad,1976). The most powerful DCs clearly desired to deal with NIEO issues on a country-by-country, commodity-by-commodity, or debt-by-debt basis, not on an integrated UDC-bloc front. Within the "Group of 77", contradictions between more "radical" and more industrialized "conservative" wings facilitated DCs' fragmentation strategy. Thus the Integrated Commodity Programme was reduced to a vague promise to negotiate on a Common Fund by 1977; indexation was watered out; and the role of producer/exporter organizations excluded(Holthe & Ofstad,1976:195). With regard to

> the transfer of technology , when the draft imperative code of conduct which they submitted had been rejected, the 77 accepted a vague promise of a revision of the Paris Convention on industrial property; just as they ultimately accepted no less vague promises concerning access to the markets of the rich countries for their exports of manufactured products, and the usual pious hopes concerning the "control" of the multinationals and "a special effort for the least developed countries" (Amin,1976:311).

And on the debt problem, DCs strongly resisted any loss of political-economic leverage via a multilateral across-the-board debt moratorium or cancellation(Holthe & Ofstad,1976:196). The experience of UNCTAD IV demonstrates in essence that DCs have no real interest in meaningful global structural reform, and furthermore that even if DCs should eventually become more "accommodating"--as the ODC recently noticed in the Carter Administration's case (McLaughlin,1979:82) or in the earlier mentioned Lome Convention--the compromise resolutions for reform will hardly scratch the surface of unequal exchange.

NIEO & Underdevelopment

As Magdoff(1978) has summarized, the prevailing NIEO discourse and diplomacy sidesteps critical issues of UDC underdevelopment. Thus proposals for stabilizing or increasing commodity income have no relation to the more fundamental constraints in UDC agriculture--inferior productivity of food crops, and internal social obstacles to expanding food supply. Demands for improved access of UDC manufactures into DC markets, even if conceded, still operate by capitalist-competitive rules. To outsell Center products, UDC manufatcures must be low-priced, which requires wage repression within UDCs and retards development of mass internal markets. With regard to technology transfer, proposed reforms may ease somewhat the balance-of-payments problem(e.g.cheaper technology), but

> they do not attack the central issue of developing an independent technological base and an indigenous research and development capability for the generation of technology adapted to their special needs. In the final analysis, the proposed reforms would still keep the underdeveloped countries in thrall to the multinational corporations and the technology of advanced capitalism (Magdoff,1976:9)

And proposals for debt relief deal only with surface phenomena and not with basic causative factors, viz decapitalization through foreign investment. Thus, even if NIEO reforms become acceptable in undiluted form by DCs (which is of course unlikely given the inherent capitalist logic of profit-maximization), the changes advocated would not overcome mass underdevelopment and UDC dependency on DC centers.

However, this is not to deny that more egalitarian world trading and financial structures will be helpful conditioning factors where self-reliant mass-oriented development strategies exist. What is clear is that such a radically constructive new international economic order (as opposed to a new form of the unequal international division of labor) must be based on changes that give real control to UDCs over the flows and scope of their resources, viz nationalization plus regulation of export-flows plus reduction of import flows necessary for self-reliant development(Amin,1977). Only then can pillage by the Centers cease. Such a geniune new world order is, of course, not what the ODC has in mind when it calls for the U.S. and other DCs to be more accommodating. It is merely planning for a renovated imperialist order based on a new but still unequal international division of labor. And it seeks to preempt or coopt any radical Third World solidarity that could threaten security of U.S. access to UDC raw-materials, markets and investment sites.

REFORMISM OR REVOLUTION ?

In the more abstruse theorizing characteristic of academic modernization research(e.g.concepts of social differentiation, political interest-aggregation,or n-Ach), the role of UDC elites is usually taken an an unproblematic given or as a constructive factor in fostering "development" (e.g.providing entrepreneurial leadership or political stability). As an organized ruling-class effort to plan for world capitalism's future, however, the ODC not only eschews "grand theorizing" or "abstract empiricism", it has been obliged to recognize that prevailing UDC-elite conduct is a major stumbling-block to "development" progress. Thus the failure of traditional growth-first theory is blamed upon the unwillingness of privileged elite groups to share growth benefits with their masses. The same retarding factor of elite vested interests was at work in implementing the Green Revolution. And notwithstanding a vigorous enthusiasm for NIEO reforms, it was conceded that the fruits of improved trading and financial regimes for UDCs would be usurped by entrenched elites in inequitable societies, rather than used to meet mass basic-needs.

While this aspect does lend to ODC ideology a slightly progressive flavor in contrast to traditional modernization theories, it is nevertheless no less ideological. To begin with, the ODC's power-structure analysis of underdevelopment is incomplete and a-theoretical. Thus the positive evaluation of external class forces in UDCs (viz MNCs, DC States) effectively precludes from scrutiny key actors sustaining the underdevelopment syndrome. The ODC chooses to ignore external buttresses of the privileged status of UDC ruling-classes via the processes of collaboration, cooptation and aid. To talk of UDC ruling-class entrenchment without admitting the complicity of DC ruling-class interests is, simply put, fraudulent social science. Also, just pointing out the existence of privileged UDC elites uninterested in mass development does little to promote understanding of the inner mechanisms of social inequalities. Required instead is class-analysis of a society's relations of production which enable any social formation, even if "non-capitalistic" to be critically evaluated for the presence and degree of exploitation.

Indeed, it is because of such distorted understanding of dependent power-structures that permits the ODC to place its faith in a reformist strategy of change. Because the First World is by definition constructive in the modernization process, DCs like the U.S. are called upon to influence and coopt UDC elites along the "growth-with-redistribution" path. With sufficient incentives (e.g. more aid), the entrenched elites who have been obstructing mass development are envisioned as voluntarily giving up some of their privileges(e.g.land,super-incomes) for the benefit of their underdeveloped masses.

However, against the realities of dependency and imperialism, ODC's strategy of gradual reformism is racked by internal contradictions and oblivious to historical experience. As earlier noted, the ODC expediently skirts around the continuing strengthening(via DC aid) of repressive forces that allow UDC elites to maintain their privileged status vis-a-vis UDC masses, as well as the political stability amenable to foreign investment. Furthermore, the miserable record of reformist programs such as the Alliance for Progress(Petras & Laporte,1971:375ff) is conveniently ignored, while the "progressive-reformist" role envisaged for the new breed of DC-trained technocrats fails to jibe with the realities of such technocraticplanned modernizing States as Brazil(Alves,1974) or Indonesia(Ransom,1975), where mass-development is still only rhetoric. And as earlier noted, various reform measures advocated by the ODC have long been tried in the history of UDC modernization(e.g.cooperatives, land-reforms), with insignificant achievement.

In the final analysis, when "radical" reform-minded UDC regimes have attempted top-down reforms such as State-owned industrialization, elimination of traditional land oligarchies and even some anti-imperialist measures (e.g. nationalization, government control over foreign trade), but not a total socialist transformation, then

> the contradictions and constraints which characterize this kind of society are such that the result is likely to be not a noncapitalist road to socialism, but a new variant of capitalism that in the final analysis, remains dependent on the imperialist centers (Magdoff,1978a:3).

For new exploiting sectors will emerge centered on the State bureaucracy, the new or transformed rural elite running "reformed" institutions like cooperatives, and the politico-military officers. Furthermore, without a real commitment to self-reliant development, the problem of acquiring sufficient investment funds internally soon leads to reopening the door for DC investors and bankers as well as increasing dependency on foreign aid. In short,"even with the best intentions, the countries which do not undertake a true social revolution remain trapped on 'the capitalist road' or are quickly pushed back on to it"(Magdoff, 1978:6).

And at the same time as the ODC approbates gradual reformism, it seeks to dismiss the relevance or workability of revolutionary-socialist strategies. Though the mass-development acheivements of China are grudgingly conceded, there is obdurate refusal to accept the validity of the total Chinese revolutionary experience. A few Chinese mass-line development tactics are deemed useful to other UDCs, but the basic revolutionary-socialist structural transformation which created the egalitarian-oriented relations of production--prerequisite to those very mass-line tactics--is rejected.

The ODC's anti-revolutionary stance is also evident in its outright dismissal of Cuba's development progress and except for the case of Guinea-Bissau as considered by "resident radical" Denis Goulet, its non-consideration of other Third World socialist experiments. In the latter regard, the ODC's extolling of the "virtues" of South Korea's capitalist export-oriented model stands in sharp contrast to its absolute silence about North Korea's efforts in political-economic self-reliance, which has produced balanced industrial and agricultural growth while meeting mass basic-needs in a relatively egalitarian mode (White,1975; Foster-Carter,1977; Brun,1970; Rosenberg,1975).

In its advocacy of gradual reformism and disdain for liberating revolutionary socialism, the ODC thus reveals the real motivation behind the basic-needs ideology--not the eradication of imperialist and dependent modes of exploitation, repression and mass impoverishment, but rather the perpetuation of an underdeveloped Third World order freely accessible to global capital's insatiable appetite for profits. Thus the basic impulse which activated the containment policies of the 50's and 60's (viz protecting the boundaries of the world capitalist system) is no less operative in ODC's "global interdependence" strategy. The difference between "containment" and "global interdependence" lies, however, in the latter's need to cope with the dialectical contradictions of purely containment policies.

These contradictions center on (a)the increasing costs and inefficiency of the U.S. politico-military umbrella which have generated domestic political-economic repercussions and international economic instability; and (b)the worsening problems of UDC mass underdevelopment under inequitable and repressive social orders., Hence the advocacy of economic reforms which would--so the ODC hopes--remove the worst excesses of dependency and mass impoverishment, and raise the world capitalist system onto a more ordered, integrated and stable plane, thereby extending a new lease of "life" for world capital accumulation. And hence the put-down of revolutionary socialist experiments, since these would diminish the space for such renewed accumulation.

In their public formulations, of course, the ODC and like policy-planning groups try to appear "reasonable" about their preference for gradual reformism over revolutionary strategies. Here, the musings of a research fellow for ODC's major sponsor, the Rockefeller Foundation, illustrate well such bias:

> I do not mean to argue that revolutions in the underdeveloped countries must always fail(except in the sense that a new ruling elite may emerge). Nevertheless, it seems to me that the problem of overcoming all the deficiencies that call forth the revolutionary movement may well be beyond a revolutionary solution; that is, deficiencies that are so profound and pervasive may only be eliminated by a gradual, evolutionary attempt to create the human and institutional infrastructure of a developed society. In any case, the arguments for the necessity of revolution may be more a reaction against past policies and a romanticism about future policies than a very carefully considered evaluation of what revolution is likely to bring to an underdeveloped country... I confess to uncertainties...that the kind of reform strategy that I have advocated will be sufficient (but)...on balance...I think that the risks of gambling that a committed reform strategy will work are slightly less than the risks implicit in a revolutionary strategy (Rothstein,1976:608).

In the absence of concrete historical and critical political-economic analyses, however, such musings about revolutionary "romanticism" and "risks" reflect more dogmatic political prejudice than reasoned discourse. Why and how a "committed reform strategy" will "work" is more faith and assumption than analysis grounded in social realities. This should not, however, be taken to imply--as noted at the outset of this study--that hard-headed critical analysts glorify revolutions and are unaware of the enormous and complex difficulties, setbacks and distortions, in forging revolutionary structures committed to mass development. But to recognize that problems exist surely does not justify summary dismissal of the whole experiment, especially in the face of some real mass-development achievements.

SUMMARY

This chapter has provided an analytical, empirical and theoretical critique of ODC's development-ideology. Evaluation yardsticks were drawn from theorizing and research within the critical paradigm. Several salient deficiencies of ODC's development-ideology were articulated, ranging from neglect of the critical historical roots of underdevelopment to not considering abundant evidence on anti-developmental consequences of MNC foreign-investment. ODC's suggested "accommodation" tactics for MNCs are seen to serve long-term interests of MNCs and DCs by defusing geniune radical nationalism.

The predilection for MNC agribusiness expansion in UDCs betrays a greater concern for MNC profit-making and DC needs rather than mass basic-needs. Consolidation and accentuation of rural inequalities and exploitation accompanies agribusiness penetration, not equitable food production and distribution. Likewise, MNC-led export-industrialization as recommended by the ODC is a sure path into greater dependency and increased integration into the world capitalist system, fulfulling DC needs for a new international division of labor. Super-cheap, repressed

UDC labor and lucrative investment climates serve to drain wealth out of UDCs in the profits of MNCs and to further enrich entrenched comprador, bureaucratic, and politico-military elites.

The ODC's strategy for "small-farmer development" relies wishfully on gradualist reforms that have scarce practical validity. The dismal record of piece-meal,top-down land-reforms or cooperatives, within an unchanged political-economic structure of class hierarchy, is conveniently overlooked. Japan's and Taiwan's experience in modernistic agrarian reforms--lauded by ODC experts--are untypical and/or shortsighted models for average UDCs. ODC's penchant for these models, in contrast to revolutionary-socialist transformations, stems more from political faith than objective social analysis. And the World Bank's mini-Green Revolution strategy, which closely approximates ODC ideology, ultimately furthers foreign investment and local elite interests at the expense of the poor peasantry.

In extolling the necessity and virtues of foreign aid, the ODC expediently ignores abundant critical evidence on the nexus between bilateral economic assistance and U.S. imperialist expansion. The recent growing emphasis on multilateral aid, which ODC so lauds, is at base an attempt by DCs to use agencies like the World Bank and IMF to keep UDCs dependent and contained within the capitalist fold. Via the debt trap and bank-sponsored modernization, DCs wield powerful weapons for ensuring "open-door" UDCs amenable to foreign investment. And backing up the leverage and cooptation of economic aid is the omnipresent clout of U.S. politico-military aid. The continued buttressing of authoritarian and repressive client States belies ODC's constant reference to "human rights" in its development-ideology, without critical exposition of such U.S. politico-military dominance.

The New International Economic Order, as presently pursued by UDC elites and negotiated(on some aspects) by DCs, will not fundamentally resolve unequal exchange based on imperialism and dependency. NIEO reforms ignore the basic structural roots of underdevelopment; neither do they initiate a process of autonomous self-centered development. The ODC's support of moderate NIEO reforms is designed in effect to coopt UDC "discontents" into a renewed world capitalist system.

Finally, the ODC has a politically deficient social-change strategy. The very same entrenched UDC elites who uphold mass underdevelopment are expected to willingly and happily, with suitable DC-provided incentives, give up their enormous power and disproportionate wealth/income for the benefit of egalitarian mass-development. Likewise, the buttressing role of external imperialist interests is an unentered variable in ODC's calculus for change. Ultimately, ODC's opting for reformist strategies and rejection of revolutionary-socialist experiments rests on political prejudice, and not on real concern for UDC masses.

Chapter 13

BY WAY OF CONCLUSION: IMPLICATIONS OF ODC IDEOLOGY FOR U.S. HEGEMONY & THIRD WORLD MASS-DEVELOPMENT

A BROAD "FRONT" FOR INTERDEPENDENCE

In their analysis of the Council on Foreign Relations (CFR), Shoup & Minter (1977: 254ff) concluded with a look at the CFR's latest exercise in foreign policy-planning, called the 1980's Project. This comprehensive project aims at shaping U.S. foreign policy towards a new global political-economic system which will cope with the current and increasing problems afflicting world capitalism. Thus broad policy issues on the research agenda cover DC-UDC economic relations, inter-First World integration and coordination, global trade and investment policies, MNC investment, ocean resources, nuclear proliferation and arms control, international terrorism and subversion. Many of these issues are of course central to ODC's ideology agenda, and from Shoup & Minter's (1977: 264ff) summary, it is obvious that the 1980's Project advocate policy proposals congruent with ODC's themes of global interdependence.

This should not be suprising, given the overlap in power-network linkages between the ODC and CFR earlier noted, including inner-level participation of ODC staff and directors in the 1980s Project teams. Likewise, a close parallel and convergence is to be seen in the activities of the Trilateral Commission, which was initiated by CFR-chairman David Rockefeller in 1972 as a inter-DC policy-planning group linking the power-elites of North America, Western Europe and Japan. The Commission too stresses increasing First World "accommodation" to UDCs based on the logic of interdependence, via tactics of cooperation, and thereby intensifying integration of dependent UDCs into international capitalist commodity, investment and financial markets (Shoup & Minter, 1977: 260ff; Frieden, 1977). Again, as earlier noted, the ODC maintains power linkages with the Trilateral Commission, five ODC directors being Trilateralists[34].

In sum, although this study has focused specifically on the ODC, it is evident that the ODC's foreign policy -planning operations constitute but one unit in the "broad front" deployed by key U.S. power-elites (plus European and Japanese Trilateral colleagues) to build a new world capitalist order. Besides the CFR, ODC, or the Trilateral Commission, there are the complementary think-tank operations like Brookings, whose staff are an important source of research and policy analysis supportive of "global interdependence" (supra: 178), and other policy planning or lobbying groups like the League for Women Voters which is a firm ODC supporter and ardent lobbyist before congress for liberalized trade and foreign aid (supra: 144) or the Foreign Policy Association which recently painted a case for U.S. trade and monetary policies appropriate to "the age of interdependence" (FPA, 1978). The special significance of the ODC lies, however, in its exclusive focus on U.S.-Third World relations and within this section of U.S. foreign policy, its "middleman" role -- linked to high-level groups like CFR or Brookings, and proselytizing to State elites as well as the U.S. public. It seems reasonable therefore to conclude that ODC ideology is intended to reflect practical details of the general themes on U.S.-UDC relations sanctioned by this "broad front" for a re-ordered world capitalist system. Indeed, the ODC's very organizational structure provides the mechanisms for consensus-building among power-elites from the various "units" of the "front" (e.g. high-level policy meetings).

IMPACT ON U.S. FOREIGN POLICY

The interesting question, of course, is to what extent has "global interdependence" ideology impacted upon actual U.S. foreign policy. No complete, systematic answer can be furnished now -- that would entail empirical research beyond the scope of the present investigation. Nevertheless, on the basis of limited bits of evidence, it is possible to draw at least the conclusion that the logic of a "global new deal" has through the 70s begun to slowly permeate State power-elite circles of the U.S. and other Trilateral DCs. Thus, as Shoup & Minter (1977: 275ff) observed, CFR leaders and Trilateral Commissioners had by the Ford Administration's time registered their influence via presidential appointees, audiences with key U.S. State officials and other DC government leaders on such critical issues as energy, and policy proposals to multilateral agencies like the World Bank. And the emergence of Jimmy Carter as Democratic Presidential nominee in 1976 was integrally linked to CFR-Trilateral Commission support. Carter, his Vice-Presidential nominee Mondale, and key foreign policy advisers (Brzezinski, Vance, Warnke, Ball, Gardner, Nitze, Yost, Rusk) all are/were then active in the Trilateral Commission and/or CFR.

With the election of Carter, "interdependence" consciousness appears widely diffused throughout the U.S. foreign-policy State apparatus. His inner-circle of foreign affairs officials include Secretary of State Vance who strongly favors detente as well as improved US-Third World relations; National Security Adviser Brzezinski who "while advocating a hard line U.S.-response to Soviet expansionism in Africa and the Middle East, also sought to downplay the U.S.-Soviet dimension in favor of promoting relations with developing countries" and traditional U.S. allies; and ex-UN Ambassador Andrew Young who argued against U.S. military intervention in the Third World. Also influential in shaping interdependence-based U.S. policies towards UDCs have been Anthony Lake, Policy-Planning Chief at the State Department (and former ODC Director), and Leslie Gelb, Carter's first Politico-Military

Director (U.S. News & World Report, Jan 28, 1980:24ff).

And as I documented earlier, ODC-linked elites and former ODC staff have similarly moved into foreign-policy related posts in the Carter Administration, including most notably, CFR-Trilateral-ODC-Yale's Richard Cooper (as UnderSecretary of State for Economic Affairs), CFR-Brookings' Fred Bergsten (as Assistant Treasury Secretary for International Affairs), and the afore-mentioned Anthony Lake. Also over 1973 to 1976, ODC Director Daniel Parker served as USAID Administrator. And, not least, public citations of "good work" showered on the ODC by Carter, his First Treasury Secretary Blumenthal, and former President Ford are indicative of emergent ODC influence within State policy-making circles.

A further piece of evidence reflecting power-elite popularization of interdependence ideology resides in recent pronouncements by Secretary of State Vance on U.S.-Third World relations. Thus in Febuary, 1979, before the House Foreign Affairs Committee, Vance presented the Administration's foreign aid request in language typical of ODC literature — e.g. the growing "U.S. stakes in the developing world"; "we can enhance our own well-being by encouraging and assisting rapid and equitable growth in the developing world". Among the major objectives of U.S. aid, Vance lists such ODC-advocated proposals as a basic needs strategy for UDC growth-with-equity, more appropriate technology-transfers, and strengthening of multinational aid channels (Vance, 1979a). The major objective that Vance cites but which the ODC pretends not to be aware of is that of aiding U.S. Third World allies to strengthen their "self-defense" military capabilities. Also in 1979, Vance addressed the "North West Regional Conference on the Emerging International Order" in Seattle to emphasize U.S. committment to "Third World Development". Again, interdependence was the pivotal theme. In Vance's (1979b: 34) words,

> we envision an international economic system which is not rigidly divided into northern and southern blocs. We seek a global community which furthers the well-being of all countries, in which all recognize the responsibilities of each to the others, in which the richer help the poorer for the benefit of all...

Referring to DC-UDC or North-South negotiations on NIEO issues, Vance notes the "progress" made in recent years, and the U.S. support for global reforms. Specific U.S.-accommodations cited include increased U.S. economic aid (from $3.7 bilion in 1975 to $7 bilion in 1979); U.S. support for commodity agreements and the "common fund" idea; implementation of a preferential tariff system for UDC manufactures; debt relief and mostly grant-aid to poorest UDCs; increased U.S. technological transfers; a Presidential proposal for creating an "international development cooperation adnimistration" to coordinate U.S. bilateral and multilateral aid; greater emphasis on aid to agriculture and "rural development", and higher food-aid levels. These kinds of proposals are, as shown by my content analysis, staple items in ODC's interdependence recipe.

GLOBAL CONSENSUS

Also, on the international level, the brand-new Brandt Commission report indicates an emerging consensus among First World as well as allied UDC power-elites around interdependence themes (Time, Feb 18, 1980: 47-48). This Commission, headed by West Germany's Willy Brandt, was formed by World Bank President McNamara in 1977 to look into the problems of DC-UDC relations. Among the 17 other "luminaries" on the Commission were Chile's Eduardo Frei, Britain's Edward Heath, Sweden's Olof Palme, and representing the U.S. Katharine Graham (Chairman, Washington Post) and Peter G. Peterson (ex-Commerce Secretary, now Chairman of Lehman Bros. and a Trilateralist). The major proposals for reform advocated by the Commission are increased "development" aid, accommodation between OPEC and DCs, increased food aid, a new international financial institution with stronger UDC decision-making, an "international tax" on trade or arms shipments to help poorer UDCs, and reforms in the international monetary system. Again, all these proposals concur with or fit nicely into ODC ideology and the CFR-Trilateral Commission world view. Indeed, much as the Pearson Commission of 1968 had served as one multilateral stamp of approval for the modernization theory of the 60's, so the Brandt Commission of 1977 promises to accomplish a similar function for global interdependence ideology.

REALITIES AND LIMITS OF GLOBAL INTERDEPENDENCE

It is of course natural that the world's capitalist ruling-classes led by the U.S. should consciously make plans to cope with and transcend their present global crisis. The point though is that the human social order is no laboratory experiment, amenable to precise control and manipulation. In the incessant world class struggles the exploited and oppressed are not mere puppets. And furthermore, most importantly, the inherent irrationality that lies at the core of capitalist social theory --viz prioritizing the supreme goal of capital accumulation -- places inescapable limits on the "success" of whatever plans are made and implemented, so that solutions imposed to resolve contradictions in turn face emergent new contradictions. Thus, as an appropriate conclusion to this investigation, it is asked: what are the likely realities emanating from and the limits to the creation of a new world capitalist order, and specifically what prospects does a "global new deal" hold for continued U.S. hegemony?

Realities

In part, some of the features of that "new" global order have already been alluded to in terms of potential impact on Third World masses. Thus the strategy of agricultural modernization under MNC auspices will serve to foster a new round of intensified DC exploitation of UDC land and labor. While certain forms of "nationalism" will be accommodated so as to placate local bourgeoisie eager for a bigger share of the imperialist-dependency pie, UDC peripheries will continue to serve as a source of relatively cheap, abundant raw materials siphoned off for wasteful DC consumption, and thereby denied to local development. The overall strategy of promoting outward-oriented "open" economics intensifies dependency, MNC exploitation and distortion of social priorities away from mass development needs. In the envisaged new international division of labor, the promotion of industrialization in some UDCs based on MNC-dominated export-orientation, will foster even further mass exploitation as these UDCs compete to attract the MNCs with super-low wages and super-profitable production climates. As Frank (1975: 61ff) observes, there is a trend towards increasing "chileanization"of UDC peripheries, the military corporativism along the lines of the wide-open door "Chile" model designed to vastly increase the rate of super-exploitation through wage depression.

A corollary trend in this global reorganization of labor is the relatively improved opportunity for a selective few UDCs to grow and industrialize along the "Brazilian Miracle" line, or what critical analysts refer to as "sub-imperialism". In this phenomenon, the sub-imperialist UDC state (e.g. Brazil in Latin America, Shah's

Iran in Middle East, South Africa) is permitted to industrialize along more basic capital-goods and machinery lines (including more polluting industries) while serving the U.S. and other DCs as a sort of regional stabilizing force.

And though not necessarily yielding sub-imperialist status, a higher level of industrialization too has appeared in major OPEC states, ever since their dramatic increase in financial accumulation. The rapprochement between oil-producers and DC oil-consumers advocated by the ODC and other "global interdependence" ideologists is obviously to coopt OPEC financial wealth and aspirations for modernization into a renewed world capitalist order. In sum, "sub-imperialist" - type modernization can induce a higher degree of basic industrialization (e.g. steel, automobiles, petrochemical, metal, processing). Nevertheless, as earlier noted in the Brazilian case, mass development remains fettered because of the dependent export-oriented and elite-consumption bias of that industrialization.

These then are some of the major emergent realities of a new world capitalist order. The question which remains though is the degree to which it can be successfully implemented.

OPEC'S Cooptation

To begin on one "positive" note, the tactic of coopting OPEC states has been relatively successful for DCs, particularly the U.S., in the sense that OPEC wealth has largely returned to the U.S. and other DCs via investments (largely portfolio), technology and arms purchases, joint industrialization and business ventures with MNCs in OPEC and third-country economies, and OPEC aid contributions which still rely on DC services and technology (Girvan, 1975: 44ff; Magdoff, 1979). In fact, the OPEC factor has been advantageous to U.S. imperialist power vis-a-vis the West Europeans or Japan, since (a) the latter are more heavily dependent than the U.S. on Middle-East oil, (b) the U.S. economy as the strongest in the world is least risky for petrodollar investments, and (c) the role of the U.S. as the dominant politico-military "protector" of Middle-East OPEC states gives it a decisive economic advantage for arms and technology exports (Petras & Rhodes, 1976: 45ff). Such cooptation has thus increased OPEC stakes in the continued well-being of the world capitalist system, notwithstanding the theoretical leverage afforded by their new found wealth.

Limits

But beyond cooptation of OPEC, the basic realities of the present world structural crisis of capitalism pose real limits on most other features of the planned, emergent new world order. Some of these limits have been succintly articulated by Kolko (1977), and the ensuing discussion draws on much of her analysis, although complementary work by other critical analysts will also be mentioned.

To begin with, there is the inescapable fact of world wide recession and stagnation afflicting all advanced capitalist nations, coupled with inflation alongside mass unemployment and declining real consumer income (Sweezy & Magdoff, 1977; Sweezy, 1978; Kolko, 1977: 12ff). The crunch came in 1973. As Kolko (1977: 11) explained

> the worse world recession since the 1930s was the culmination of a series of factors: the intimate interplay of the effect of American aggression in Vietman on the American economy and the world capitalist system; the booming demand for raw materials; the impact of the avalanche of dollars on other world currencies; the monetary crisis; the mounting inflationary pressures; the accelerated demands from the working class; the mounting costs for industry as capacity expanded and competition increased internationally; the simultaneous moves of industries to expand to the Third World; the economic contraction in the U.S. in 1970 and the fall in materials prices; the world-wide scramble for supplies in 1973 further intensified by the oil crisis at the end of that year; and, finally, the worldwide economic contraction.

UDC peonage. Such worldwide stagnation has inevitable negative impact on UDCs. One serious consequence was that the falling prices and demand for their exports, the increased prices of their imports and the massive debt service incurred from overdependency on private loans and ever rising energy prices, all combined to further worsen the debt burden. Massive new loans became necessary to stave off default and balance-of-payments crises. Increasingly worried by the potential for a claim of default[35], yet propelled by their drive for profits, the MNC banks are now relying upon and putting pressures on DC states and multilateral agencies to increase bilateral/multilateral aid and formally guaranteeing private loans to UDCs. Multilateral aid entails, of course, IMF surveillance via its "stabilization" programs -- this means further squeezing of UDC masses to finance the debt, and increased DC economic penetration (Kolko. 1977: 14ff; Payer, 1976). In other words, the multilateral banks, for all of McNamara's and ODC's talk about "mass basic needs", are increasingly serving as instruments in facilitating the "Chileanization" of UDC peripheries.

Trade slowdown. Yet, any temporary "resolution" of the debt problem must still confront the impact of worldwide recession on UDC trade. Thus the export-oriented economies so lauded by the ODC can expect to increasingly face obstacles to continued growth of their exports to DCs, such as increased import barriers imposed by DCs to protect domestic firms and workers and the limited market in other UDCs which is already fiercely contested by DC capitalists (Kolko, 1977: 17). And the sub-imperialist modes of rapid modernization have no less been affected by the stagnation in world demand, of which the crisis of the once-touted "Brazilian Miracle" — now tottering amidst staggering debt, massive trade deficits, and 40% inflation (Shenk, 1979) -- is one grim example. To be sure, the Brazilian model per se has inherent limitations, such as the excessively import-dependent MNC-dominated industrialization mode. But inevitably worldwide stagnation compounds those limitations.

As for OPEC-based modernization, which is currently a stimulus of profitable investments for lagging DC capital goods construction industries, the over-ambitious targets and insufficient local or world market demand will also slow expansion or yield unviable projects (Kolko, 1977: 19).

In sum, the projected new international division of labor for a reordered capitalism does require certain "concessions" by DCs, certain reforms in international trading and monetary regimes like permitting increased industrialization in UDCs and concomitant greater access for UDC manufactures to DC markets. In ODC language, long-term advantages will accrue from such DC accommodations. But as Magdoff (1978 b: 10) aptly noted

> these possible long-term advantages... are offset by real and compelling constraints in the short run. The imperialist powers have entered a new stage of stagnation, The international monetary system is shaky. World trade has slowed down. Trade and currency competition among the leading powers has been intensifying. Every one of the industrialized countries is confronted with internal problems arising from persistent unemployment and weak industrial and financial sectors. These are hardly the conditions under which the imperialist powers are inclined to consider reforms that promise to intensify their internal contradictions."

Thus while on the one hand the DC ruling-classes know it is in their long-term interest to attain a new global order; on the other hand they are constrainted in marching forward smoothly by the inherent internal contradictions of capitalism, arising from the basic capitalist tendency to overaccumulate and overproduce.

UDC Class-Struggles

But added to these internal contradictions and hitherto unmentioned, is the important contradiction rooted in the class-struggles within UDC peripheries. It is precisely here where the ODC's notion of a "global new deal" is politically deficient. Where as in the 1930's New Deal reforms guided by the U.S. ruling-class temporarily alleviated the U.S. masses' impoverishment and coopted their political support (Sweezy, 1979: 9ff; Hurd, 1976), the envisaged "global new deal" reforms are essentially meant to integrate UDC ruling and middle classes, not the workers or peasants. Indeed, the new international division of labor further institutionalizes mass repression via "Chileanization" or "sub-imperialism". Herein lies the basic contradiction for interdependence ideologists. Though they know that continuing inequalities and impoverishment bodes ill for political stability and world capitalist accumulation -- hence the call for "basic needs" development -- yet their very strategy to meet this serious exigency without relinquishing profit-maximization goals can only aggravate existing anti-development conditions.

Such intensification of the class struggle inevitably generates revolutionary threats to and the undermining of "political stability" necessary for imperialist capital accumulation. This is clearly demonstrated in Latin America, where the militarization of regimes during the 70's, such as Bolivia (1971), Uruguay (1973), Chile (1973) and Argentina (1976), was in fact the inevitable imperialist and compradorial response to the rising mass class-struggles against increasing exploitation (NACLA, 1979b). In Peru, the 1975 rightist overthrow of the populist-military Velasco regime and the consequent "Chileanization"of the economy under IMF auspices is being resisted by a growing class struggle with the possibility of a fascist coup looming on the horizon (Petras & Havens, 1979). Elsewhere in the Third World, it is possible to see the imperialist necessity of facilitating and sustaining politico-militarization to keep the lid on potentially explosive situations (e.g. Thailand, Philippines, Indonesia, Zaire).

But unfortunately for the ruling-classes of global capitalism, class-struggles are not a piece of putty to shape as they like, and mass desires for justice and against repression can prove uncontrollable. One instance is the recent downfall of the Shah of Iran via a populist revolution. The loss of the groomed candidate for sub-imperialism in the Gulf region poses serious implications for "stability" in neighboring client states and strikes another major blow to U.S. global hegemony (Sweezy & Magdoff, 1979). Likewise in Central America, the recent revolutionary victory over a long-standing U.S.-client dictatorial regime in Nicaragua will have a profound symbolic impact on Latin America, although as Petras (1979) noted, an onward march towards uninterrupted social revolution remains to be decided by the continuing class struggle. And in Africa, the liberation of Southern African states like Mozambique and Angola, the ongoing struggle in Zimbabwe, and the continuing internal and external pressures for reforms in South Africa itself have been and will be a serious source of worry for world capitalist planners (Davidson et al, 1976; Wallerstein, 1976).

There is of course no implication here that any revolutionary overthrow of dependent imperialist regimes automatically leads to real and continuing mass development. But as this is not the place to elaborate on issues of revolutionary theory-and-practice (including say the recent controversy raised by the Kampuchea-Vietnamese conflict), it suffices to agree with Wallerstein (1977: 106) that

> socialism does not arrive one fine morning after the seizure of state power. It is achieved by a process of continuing class struggle, not least of which is the continuing class struggle within so-called socialist and/or communist parties in power

To conclude, the creation of a new international division of labor, the implementation of a "global new deal", or the reordering of world capitalism as envisaged by the ODC and related policy-planning groups of the U.S. and other DC ruling-classes, will not be easily achieved.

The emancipatory struggles by oppressed UDC classes; the resistance of DC masses to continuing decline in living standards amidst unemployment, inflation and stagnation; the inter-DC capitalist rivalries for each other's as well as Third World markets, raw materials, and surplus value extraction; the chaos in international monetary relations; the East-West relations complex -- all these forces in their multiform and unpredictable interactions and contradictions will ensure, for the global capitalist "profit-boat", a most turbulent and uncontrollable passage whose ultimate destination cannot and need not be predicted. That really depends on the outcome of the national and international class struggles everywhere.

One thing can be said with certainty, though, about ODC-type attempts to manipulate a "global new deal". This is that the mass suffering etched in disease, squalor, hunger, and repression, will be perpetuated, even aggravated, by those manipulations made in the name of "basic-needs development", but in heart and mind, serving the god of capital accumulation. The real development of peoples, as human beings in their own right and duty, requires sincere commitment to an entirely different set of principles for setting social priorities, principles such as justness, equality, humanism, compassion and selflessness. Whatever the professions or declarations about human rights and mass basic-needs, it has not been possible in all fairness to detect such principles at the roots of ODC ideology.

But then could one have found otherwise vis-a-vis an institution expressly set up to plan for the long-range interests of U.S. and world capitalism?

FOOTNOTES

FOOTNOTES

SECTION I: THEORETICAL UNDERPINNINGS AND RESEARCH METHODOLOGY

1. "Power-structure research", in critical or radical scholarly literature, is now commonly used to refer to the body of theoretical and empirical analyses based on the central concept that power in advanced capitalist societies is hegemonized by a ruling-class, which dominates social, intellectual, economic and political life. Much of "power-structure research" has focused on the U.S. system. An extended discussion of the literature will be provided in Chapter 1.

2. The concept of "power-elite" is used as defined by the U.S. power-structure researcher G.William Domhoff, viz "the leadership group or operating arm of the ruling-class. It is made up of active, working members of the ruling-class and high-level employees in institutions controlled by members of the ruling class" (Domhoff,1979:13ff). (See the detailed discussion in Chapter 1).

3. Elite associations or elite forums are the policy-planning and consensus-seeking organizations of the power-elite. Prominent U.S. examples are the Council on Foreign Relations, Committee for Economic Development, and Business Council (see the sub-section on "Power-Elites & the Policy-Formation Process,Chapter 1).

4. "Development ideology" is used consistently in this study to refer to the body of theoretical ideas and/or policy proposals for practice, held by a particular organization, institution, or individual, on the causes of Third World underdevelopment and the proposed solutions for fostering development.

5. Knudsen & Parnes(1975:175); Magdoff(1969:99).

6. Although income distribution in developed nations like the U.S., Canada, Japan, United Kingdom, West Germany, and Sweden are also skewed in favor of the top fifth of their populations, whose share of total national income range from 40 to 50 percent, their lowest 40 percent of population obtain a higher share of national income ranging from 14 to 20 percent(Ahluwahlia,1974:9). The relative deprivation of the poorer peoples in First World nations, is also mitigated by a much higher absolute national income in the first place,as well as by social welfare measures.

7. Over one-third of manufacturing output comes from the top 187 U.S. MNCs, while sales in such sectors as automotive, pharmaceutical, and fabricated metal products exceed more than three-fourths of all U.S. firms, and by more than half in petroleum refining, chemicals, rubber, and electrical machinery (U.N., 1974:17ff). In the U.S. financial sector, the 20 dominant banks commanded over 42 percent of assets or deposits of all U.S. commercial banks in 1973 (Clement, 1977:316).

8. Under the Foreign Assistance Act of 1961, the U.S. Agency for International Development(USAID) is directly responsible for undertaking U.S. economic assistance--viz, "development" assistance which includes loans and grants for long-range economic development, plus "supporting" assistance, which is given to promote "economic and political stability where the usual requirements of development assistance cannot be met".
The Military Assistance Program(MAP), however, is directly administered by the Department of Defense. But since the Secretary of State is responsible for overall supervision of the entire foreign aid program, including military assistance, USAID's Administrator also coordinates economic and military aid (USAID, 1963: 3,43).

9. Conversely, albeit hardly surprising, the critical insights uncovered by Shoup & Minter have not been well received by CFR power-elites. For example, the following judgement was delivered as part of an 160-word book review by CFR's Foreign Affairs editor, William P. Bundy(who is brother of active CFR member McGeorge Bundy, President of the Ford Foundation and formerly Kennedy's National Security Assistant on Vietnam):

> Avowedly Marxian in its viewpoint, (Shoup & Minter's) study (gives a) picture of the Council (CFR) that bears striking resemblance to that often painted on the Far Right. In its high degree of selectivity, it may seem remote from reality to anyone associated, for example, with the current 1980's Project, or to anyone who(like like this reviewer) has experienced the individualism of the Council's membership(Bundy,1977).

The arrogance of this polemical dismissal, based on no concrete counter-evidence and objective analysis, and coming from the editor of the most "prestigious" foreign affairs scholarly publication, deserves no further comment here.

SECTION II: ODC'S POWER-NETWORK, POLICY-FORMATION & IDEOLOGY-PROPAGATION

1. Data were obtained from Financial Statement of the ODC for the years 1971, 1972, 1973, 1974 and 1976 (ODC, 1972; 1975; 1976).

2. Statement by James P. Grant, in Hearings before the Committee on Foreign Affairs, House of Representatives, 93rd Congress, 2nd Session, on the President's Foreign Assistance Request, Fiscal Year 1975, July 10, 1974 (House Document 93-293, p.608).

3. Such smaller contributions seem to be around $5000 each, as suggested by Foundation Grants Index listings e.g. Atlantic-Richfield Foundation and Chrysler Foundation donated in 1974 each $5000 as "continuing support"; Compton Foundation donated $5000 in 1975.

4. Of these twenty, however, four firms still remain closely related to the ODC via their representation on the Board of Directors (e.g. Chrysler, ITT, Marcona).

5. See Chapter 9, Section III.

6. The series was begun only in 1973.

7. Sources of data were: U.S. Dept. of Commerce, Office of Business Economics Survey of Current Business, 38 (Sept. 1958): 18; U.S. Dept. of Commerce, Bureau of Economic Analysis, Survey of Current Business 56 (August, 1976): 46; 57(August, 1977): 45.

8. The procedure employed was as follows: first WHO OWN WHOM (1976) was consulted to identify individual country locations of all ODC corporation-supporters with Third World investments. In all, 70 firms were so listed. The tallies for individual country subsidiaries were then aggregated into continental regions and tabulated according to the type of business engaged. (The classification of business types by MOODY'S HANDBOOK OF COMMON STOCK was employed).

9. Source of data was: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business 53(September, 1973): 26-27.

10. Personal communication (March 24, 1977)

11. Personal communication (April 4, 1977)

12. Staff of Des Moines rank among the top in U.S. journa-

lism e.g. 3 editorial writers, including Lauren Soth (am ODC director) won Pulitzer Prizes for editorial writing, while the 1976 National Reporting Award went to a Des Moines reporter in 1967 (Emery, 1978: 473).

13. Conversely, in this regard, it is not surprising that the major right-wing media (National Review, Commentary, The Alternative), which regularly has contributions from such conservative intellectuals as Irving Kristol, Daniel Monyihan, William Buckley, and Sidney Hook, are not included among ODC's mass-media supporters.

14. "Non-corporate" or "non-profit" consulting organizations -- the so-called think-tanks like Brookings and university-based centers -- are considered in the "Non-corporate ODC Supporters" Section below.

15. Association of Consulting Management Engineers, quoted by Guttman & Willner (1976: 15).

16. Guttman & Wilner (1976: 98ff)

17. Ibid: 53

18. Thus in a personal communication (May 13, 1977), Director of Research William Boldon stated that "there is nothing in writing that can be made publicly available at this time."

19. Business International's (1970) analysis of Latin American nationalism illustrates well the firm's ethos on MNC activity in the Third World. While conceding "some grounds for Latin American concern over the developmental role of foreign investment", Business International argues that some of the charges are simply "untrue or misleading half-truths". Rather, U.S. investors are making "an impressive contribution to Latin American economies in fiscal revenues and gross product". At the same time, U.S. investment has stimulated development in other ways.... managerial and technical skills have been passed on, ancillary industries have sprung up to support the foreign investment, better wages and fringe benefits have been paid to workers, profits have been ploughed back into local enterprises. The list of benefits, direct or indirect, could be extended indefinitely" (ibid: 25).

20. Business International, Dec 30, 1977

21. Business Latin America, Dec 28, 1977

22. Business China, Dec 21, 1977

23. Quoted from the Preface to Business International's research report on the 1969 and 1970 Business Roundtables: Winning the Markets of the 1970s (1970)

24. As Green (1975: 7) noted:

> Approximately one-half of the Representatives and two-thirds of the Senators are lawyers .... Twenty-five of our thirty-eight Presidents have been lawyers. It was estimated in 1963 that 40 per cent of all American diplomats were then lawyers. In 1973, twenty-three of our fifty governors had a legal background. So do the presidents of Harvard, Yale, Michigan, Indiana, Iowa, Ohio State, Chicago, and Rutgers. Lawyers now head 12.4 percent of 774 leading corporations, including du Pont, Sears Roebuck, Pfizer, Coca-Cola, American Smelting & Refining Co., Ashland Oil, National Steel, Textron and Singer.

25. Data from Outside Counsel: Inside Director, the Directory of Lawyers on Boards of U.S. Industry (1977: 80).

26. The firm was hired for a flat fee of $95,000 and a bonus of $1 per ton "for each ton over and above the present quota of 30,000 tons up to a quota of 100,000 tons, and 50 cents per ton for every ton over and above 100,000 tons" (Goulden, 1972: 262).

27. Jeffrey Hart is a Senior Editor of William Buckley Jr.'s National Review, the leading far-right newspaper in the U.S. (Emery & Emery, 1978: 377), while Daniel Moynihan, former Harvard political scientist and U.S. ambassador to India and the U.N. and now a Republican Senator, consistently rails out at Third World demands for a more just, international economic order and at socialist theory and practice (Moynihan, 1975: 1977).

28. Examples of such"divisive" "social activism" sponsored by Ford Foundation, as charged by the conservatives, included: funding for the Congress on Racial Equality (CORE)'s voter-registration drive in Cleveland, thereby helping the election of Democratic nominee Carl Stokes as Mayor; financing school decentralization experiments in New York City; granting $315,000 to the liberal-left National Students Association; funding radical pro-Cuba Chicano groups in California (Hart, 1973: 49ff).

29. At the end of 1961, the Charles F. Kettering Foundation had 78 percent of its assets in General Motors stock. (Nelson, 1967: 187).

30. Foundations Directory, 1974: xxii.

31. Encyclopedia of Associations (1975).

32. Foundation Grants Index (1975).

33. Encyclopedia of Associations (1975).

34. Ibid.

35. After Draper's death in 1974, the Draper World Population Fund was created to encourage and expand activities of the International Planned Parenthood Federation and the Population Crisis Committee. Sponsors in 1976 of the Fund included such corporate notables as Atlantic Richfield's R.O. Anderson, Lehman Brothers' George Ball, and C. Douglas Dillon, State elites like J. William Fulbright, John Hannah (ex-USAID Administrator), Hubert Humphrey and Maxwell Taylor, and academic stars including Galbraith, Richard Gardner, James Perkins and Gunnar Myrdal.

36. Foundation Grants Index (1974, 1975).

37. Ibid.

38. Encyclopedia of Associations (1975).

39. Foundation Grants Index (1974,1975).

40. Encyclopedia of Associations (1975).

41. Foundation Grants Index (1974).

42. LWVUS (1971); Stuhler (1961); Christopherson (1967).

43. One interesting project funding ($10,000) came from the Heinz Endowment to the AAUW Education Foundation, Pennslyvania division, for its "Toward One World program, to stimulate local consciousness of interdependence between rich and poor nations and renew American interest in developing countries" (Foundation Grants Index, 1974).

44. AAUW (1973).

45. Morris (1967: 57ff).

46. USAID (1975); USAID (1978); Hannah (1973); Gaud (1967); MacDonald (1975)

47. Much smaller regional or sub-regional banks designed to serve similar "development" purposes are the African development Bank, the Carribean Development

Bank, the Central American Bank for Economic Integration, and the Andean Development Corporation. And critically influential in the activities of all these multilateral "development" banks is, of course, the International Monetary Fund (IMF) (see Payer, 1974 for a critical analysis of IMF's structure and functioning).

48. Reid (1973: 807); Comm. Foreign Affairs (1974a: 15).

49. The data was obtained examining biographical notes of all staff/consultant-contributors to Finance & Development (the journal of the World Bank Group and IMF) over the years 1969 (volume 6) to 1978 (volume 15).

50. World Bank (1977: 99).

51. Comm. Foreign Affairs (1974a: 215, 21).

52. Comm. Foreign Affairs (1974a: 26); ADB (1974; 1977).

53. ADB (1977: 84-85).

54. Comm. Foreign Affairs (1974a: 216).

55. Journal of Contemporary Asia, 4 (2): 248.

56. No readily available data were obtained for such smaller ODC think-tank supporters as the WorlWatch Institute or the Washington Research Project.

57. Research Centers Directors (1975).

58. Gordon Kermit, President, Brookings (1967-76), former Director, U.S. Bureau of Budget (1962-65); Bruce MaClaury, current President Brookings, former Dep. UnderSec. Treasury (1969-71); Charles Schultze, senior fellow (1965-67), former Director, Bureau of Budget (1965-67), now Chairman, Council of Economic Advisers; C.Fred Bergsten, senior fellow (1972-77), former staff NSC (1967-69) , now Asst. Sec. Treasury.

59. Encyclopedia of Associations (1975).

60. Center for Intl. Affairs (1976: 6; 1975: 10ff).

61. Center for International Affairs (1972: 37; 1976: 25).

62. Formed in 1973, the Trilateral Commission is made up of nearly 200 representatives of leading banks, corporations, communications, conglomerates, and international organizations from North America, Europe and Japan. Supported by Rockefeller, the Commission's

chief organizer was Zbigniew Brzezinski, now Carter's Chief of National Security. Carter himself, Vice-President Mondale, Secretary of State Vance, until recently Treasury Secretary Blumenthal, and Defense Secretary Harold Brown are all former Trilateral Commission members. Several other top Carter administrators were also Trilateralists. As Shoup & Minter (1977: 267) noted, the Trilateral Commission's ideology on a "new global order" is virtually identical to the 1980s' Project of the Council on Foreign Relations -- which is not surprising, given the large number of elite personnel interlocks between the two forums.

63. The New York Times Index; The Washington Post Index.

64. Another example is the Rev. Dr. Leon H. Sullivan, a Philadelphia Black minister and civil rights leader, who has been a director of General Motors Corporation since January 1971 (New York Times, March 22, 1972:63).

SECTION III: ODC'S DEVELOPMENT IDEOLOGY

1. Howe (1975b)
2. Hunter (1972a:4)
3. Rielly & Hunter (1971:1)
4. Hesburgh (1973:1)
5. Brown (1972a:164-176)
6. Hunter (1972b)
7. Brown (1972a:348); Brown (1972b:62)
8. Howe (1974c:124)
9. Low (1976:11)
10. Malmgren (1972b:18)
11. Howe (1974b:4)
12. Brown (1972b:40)
13. Brown (1972a:195)
14. Hunter (1973b)
15. Howe & Knowland (1976:1)
16. Howe (1975b:21)
17. Fabian (1973:86)
18. Brown (1972b:13-16)
19. Ibid:18
20. Hesburg (1973:2)
21. Hunter (1973c:7)
22. Sewell (1977c:2)
23. Brown (1972a:57)
24. Hunter (1972b:51)
25. Sammartano (1973:6)
26. Brown (1972b:50ff)
27. Ibid:54
28. Malmgren (1971b:77)
29. Shaw (1972a:57)
30. Hunter (1973c:19)
31. Howe (1974b:19)
32. Committee Members include such ODC-related influential as Eugene Black, Rudolph Peterson, James Perkins, David Rockefeller, J. George Harrar, and Sol Linowitz.
33. Bell (1973)
34. Erb (1975a:148ff)
35. Howe (1975b:34); Grant & Johnson (1975:154)
36. Howe (1975b:27)
37. Hunter (1972b:52)
38. Ibid:54
39. Howe (1974c:23)
40. Hesgurg & Grant (1976:viii)
41. Hesburg & Grant (1977:ix)
42. Brown (1972a:338)
43. Hunter (1971c:1)

44. Ward 1973:3); Grant (1972:137)

45. Grant (1973a:5)   46. Ibid:7; Bradford (1971:7)

47. Rich (1973:22)

48. Hansen (1975d:169); Hansen (1977:62)

49. Shaw (1972a:14); Hansen (1975d:169)

50. Hansen (1975d:170)   51. Shaw (1972a:14)

52. Ibid:17   53. Hansen (1975d:168)

54. Grant (1973a:8)

55. Sewell (1977c:5); ILO (1977:36ff)

56. Shaw (1972a:27, 36ff)

57. ILO (1977); Hansen (1977:60-69)

58. Hansen (1975d:172-178); ILO (1977:38, 63)

59. Morris & Lister (1977); Morris (1979)

60. Ethnocentric types of measures include such things as housing patterns, nutrition standards. The ODC is also careful to avoid assuming that UDCs will inevitably evolve along paths followed by the First World e.g. same patterns of urbanization or industrialization like number of telephones or autos per 1000 people.

61. Life expectancy, infant mortality, and literacy figures are each rated on a scale of 1 to 100, within which individual countries are ranked according to their performance. The composite PQLI index is calculated by averaging the three index components equally weighted. 1973 and 1950 were chosen as the years of best and poorest performance respectively (Morris & Lister, 1977).

62. Morris (1979:63ff, 76ff)   63. Chapter 1

64. Howe (1973b:4-5)   65. Grant (1972:50)

66. Brown (1972b:60)   67. Paddock (1967);Hardin(1974)

68. Howe & Sewell (1975:60ff)   69. Grant (1972:148)

70. See Chapter 10, supra:341   71. Grant (1973a:12,14)

72. See Chapter 9, supra:327   73. Howe (1974b:19)

74. Grant (1972:141ff)   75. Hunter (1971c:2)

76. Howe (1974b:5)

77. Hunter (1972d)

78. Howe (1974b:5)

79. Howe (1974c:9)

80. Grant (1972:140)

81. Howe (1974b:8)

82. See Chapter 11, supra:395

83. Grant (1972:139)

84. Grant (1973a:23)

85. Hansen (1975d:183); Elsewhere Hansen (1977:68) quoted an Indian observer, Bandhan, vis-a-vis the World Bank's intra-national distributional strategy in India: "the major constraint is rooted in the power realities of a political system dominated by a complex constellation of forces representing rich farmers, big business, and the so-called petit-bourgeoisie, including the unionized workers of the organized sector. In such a contex, it is touchingly naive not to anticipate the failures of asset distribution policies or the appropriation by the rich of a disproportionate share of the benefits of public investments." And for Latin America, Bradford (1971:22) concedes that rural poverty and underemployment is caused by land ownership concentration in a few big farmers.

86. Shaw (1972a:39)

87. Howe & Sewell (1975:58)

88. ILO (1977:66)

89. Bradford (1971:6ff); Ironically, in his earlier criticism of Brazil's failure to distribute growth equitably, Bradford fails to note the substantive role of "young technocrats" in economic decision-making.

90. Ibid:58

91. Grant (1973a:26)

92. Hansen (1975d:184); Likewise, commenting on the 1976 ILO World Employment Conference where a basic-needs strategy was discussed, Paolillo (1977:184) noted that the general move towards acceptance of such a strategy would only be actualized if DCs are prepared to furnish a favorable external political and economic environment.

93. Grant (1973a:24)

94. Hansen (1975d:195)

95. Hansen (1977:79)

96. ILO (1977:35, 65ff)

97. Hunter (1971c:4ff)

98. Ward (1973:4ff)

99. Hunter (1971c:4)

100. Hansen (1975a:58)

101. Brown (1972b:60)

102. Brown & Eckholm (1974: 249ff)

103. Hunter (1970)

104. Ibid:5-8

105. Ibid:14

106. Grant (1973c)

107. Paolillo (1974:115)

108. Hunter (1973c:17)

109. Hunter (1970:13)

110. Ibid:13; Also, in a stron letter to the New York Times (Feb. 4, 1976:33), ODC Chairman Hesburgh criticized then U.S. Ambassador to the U.N. Daniel Mohynihan, for attempting to use U.S. aid as a leverage device for or against UDC recipients depending on their support of U.S. policies at the U.N. Hesburgh declared: "I will have no further interest in supporting bilateral development aid if it is to be used for political manipulation rather than for the improvement of the human condition in the poorest countries on earth."

111. Hunter (1972c)

112. Church (1972:254ff)

113. Ibid:259

114. Even though the ODC is aware that security assistance well exceeds "development aid" e.g. the $3.4 billion U.S. aid package in 1972 included a ratio of $2 billion security to $1.4 billion "development", and in 1973, $2 billion to $1.5 billion (Laudicina, 1971) there is actually scarce substantive criticism of military aid. Rielly & Hunter, (1971:10) merely commented that the President's request for $1 billion military aid in 1970 showed the Administration's unwillingness "to relate its short-term military assistance goals to the longer-term problems of helping these countries develop the conditions that must underpin their security efforts." Clapp (1973:75), after noting that abolition of security aid programs was unlikely since Congress cannot withstand pressures from industry for continued commercial military sales and the ... bureaucratic interests in State and Defense Departments, only warns that security aid tends to identify the U.S. with any unpopular policies of local governments. "We should seriously question the assumption that shipping arms and providing training to developing countries for reasons other than direct treaty agreements or base rights directly of indirectly promotes U.S. interests by, for example, contributing to economic development. While proponents of this aid argue that it promotes stability in these countries, wards off the forces of communism and subversion, and provides a favorable climate for U.S. private investment, they can produce little evidence that security is in

fact in the interest of long-term development, or that its absence would really threaten U.S. interests." Finally, Reilly & Hunter (1971:14) note the contradiction of one part of the U.S. government advising UDCs on use of scarce resources, while another part pressures the UDC to purchase ill-affordable military hardware..

115. Hunter (1972c:265)
116. Howe & Sewell (1975:56ff)

117. Hunter (1972c:267)
118. Sommer (1977:125)

119. Paolillo (1974:109)

120. Bell (1973); Also earlier discussed, the U.S. Congress in its Foreign Aid Legislation for 1973, gave too a mandate to USAID to emphasize a "basic-needs" strategy in its aid activities (Paolillo, 1974:112). "New" emphases include increasing labor-intensive production, spreading productive investment services out of major cities to small towns and rural areas, and self-help projects for the poor (Sewell, 1977b:129).

121. Shaw (1970:69); Shaw (1922a:56); ILO (1977:107)

122. Bhagwati (1970)
123. Low & Howe (1975:39)

124. Bell (1973:4)
125. Paolillo (1974:118)

126. Ibid:110
127. Sewell (1977b:129)

128. Ibid:129
129. Paolillo(1974:110)
130. Sewell(1977a:222)

131. Howe (1974b:18)
132. Frank (1970:24)

133. Watson (1978); The bank is a regular ODC sponsor, and V-P Watson was the ODC's first Visiting Fellow from the business sector in 1976.

134. The IMF, for example, has expanded facilities to help overcome balance-of-payment difficulties. These include an "Oil Facility" to handle difficulties due to high oil prices, a "Trust Fund" aimed at UDCs with under $350 per capita income, a "Compensatory Financing Facility" to help cover shortfalls in export earnings, and an "Extended Fund Facility" for longer-term loans. All IMF loans are, as usual, conditional upon IMF balance-of-payments criteria, including restrcitive fiscal, monetary, and debt acquisition policies (Watson, 1978:30).

135. Watson (1978:65)
136. Ibid:3, 51

137. Ibid:51
138. Ibid:26

139. Ibid:49

140. Ibid:37

141. Ibid:29

142. Ibid:30

143. Bell (1973:4); In fact, President Nixon in 1971 agreed with his Peterson Task Force that more U.S. aid should be multilateral so as to avoid "excessive involvement by the U.S. government in the internal affairs of developing countries". (Rielly & Hunter, 1971:5)

144. McKitterick & Middleton (1972:44); Paolillo (1974: 120-122)

145. Rielly (1972)

146. Erb (1975b)

147. Maynard (1972)

148. Howe & Weiss (1973:50)

149. McKitterick & Middleton (1972:22)

150. Maynard (1972)

151. Howe (1972b:8)

152. In 1973, total foriegn assistance from non-socialist, socialist, and OPEC nations was $15 billion, of which $1.4 billion were delivered through PVOs. U.S. PVOs contributed $1 billion in all (Sommer, 1975:13). For U.S. PVOs an average of 60 percent agency income came from government funding in 1964-65. Over 1973-1976, the percentage of government funding had dropped to 33 percent (Sommer, 1977:94).

153. Sommer (1975:12, 25)

154. In a later extended study, however, Sommer (1977:61) contradicted himself by admitting that the Ford-U.S. trained Indonesian economists followed growth policies which sacrificed equity -- thus "Indonesia's poor suffered at least as much before."

155. Sommer (1977:24)

156. One example cited is the AIFLD, the overseas arm of AFL-CIO once CIA funded but now largely A.I.D.-funded. "AIFLD stresses its private role and currently is primarity concerned with training Latin American labor leaders and providing loans and other economic assistance to their unions...However politics rather than economic development is its basic operating rationals... AIFLD hoped that its assistance would help prevent Communists from becoming too powerful in Latin American labor movements... that improving conditions for labor in those countries would have the effect of protecting U.S. workers from the competition of cheap foreign labor". (Ibid: 101).

157. Sommer (1977:40) 158. Ibid:72

159. Malmgren (1971b:6) 160. Erb (1978:1ff)

161. Ibid:5

162. Nearly half of all UDCs earn over 50 percent of their export income from one primary commodity, while over 75 percent of all UDCs earn 60 percent of their export income from three primary commodities.

163. Erb (1978:34); Malmgren (1971b:19)

164. Malmgren (1971b:25)

165. Ibid:12, 28; The top 8 UDCs pursuing competitive, export oriented industrialization accounted in recent years for over two-thirds of all UDC export of manufactures.

166. Hesburgh & Grant (1976:vi)

167. Malmgren (1970)

168. Malmgren & Kimmins (1972:5); Erb (1975c); Sewell (1977 b:17); Erb (1978)

169. ILO (1977:114)

170. Erb (1975c: 99); Erb (1978: 51); The two major examples of "compensation financing" schemes are (a) the Lome Conventiong (supra p.66) STABEX scheme which helps stabilize export earnings of 19 selected primary commodities of the 46 participating UDCs, and (b) the IMF facility based on total export earnings, requires participant UDCs to cooperate with the IMF in correcting balance-of-payments problems, and is distributed according to IMF membership quotas (e.g. in 1976 ten DCs purchased 40 percent of total compensatory financing while 35 UDCs received about 50 percent) (Erb, 1978: 52ff).

171. Sewell (1977b: 97); However, although infrequently mentioned, the ODC is not in favor of the Third World's demand for indexing terms-of-trade, that is, guaranteed matching of primary-commodity price rises with rises in imported DC manufactures prices (Bergsten, 1974: 32 ; Erb, 1975: 101).

172. Erb (1975c: 103)

173. Sewell (1977b:97); Malmgren (1971b:38); Erb (1978:9); Major non-tariff barriers include quantity restrictions, safety requirement, subsidies, and counter-vailing duties i.e. duties applied to imports from a nation that may have benefited from domestic export-promotion policies of that nation.

174. Sewell (1977b:93); Malmgren (1971b:33); Erb (1974)

175. Malmgren (1971b: 46); The socialist nations are also taken to task for failing to implement their stated policy "that their development assistance should mainly take the form of increased imports from developing countries in the Second Development Decade." On the contrary, the export surplus of socialist nations with UDCs increased in the late sixties.

176. Ibid:42; These incentives include exemption from income and business taxes, cash bonuses, automatic provision of foreign exchange for required material imports and refunding of custom duties on import content of exports.

177. Cooper (1971:49) 178. Shaw (1972a:51)

179. Grant (1973b:8) 180. Erb (1978:4)

181. Sewell (1977b:91); Shaw (1972a:53)

182. Frank (1973:16ff)

183. Sewell (1977b:88); Erb (1978:29)

184. Shaw & Sherk (1972:107) 185. Malmgren (1971b:59ff)

186. Malmgren (1972b:16); Naya & Schatz (1972:77)

187. Malmgren (1971b:59ff)

188. Erb (1978:18); Some UDCs like Brazil have mixed exports of primary products and manufactures. Others (e.g. South Korea, Singapore) export mostly manufactures, while Africa sells primarily primary commodities. Recently, via the Lome Convention, some fifty African, Carribean and Pacific UDCs have duty-free treatment of nearly all their exports to the EEC. Besides, only six UDC account for over two-thirds of all UDC manufactures to OECD nations, while clothing, textiles and electrical machinery constitute about half of all UDC msnufactures to developed-nations.

189. Ibid:18

190. Ibid:22ff; Such demands would require major revision of

GATT (General Agreement on Trade & Tariffs) procedures -- for example, jettisoning the most-favored-nation principle which requires that a country extend to all members of the GATT any concession that it extends to one.

191. Ibid:21, 27

192. Ibid:24

193. Ibid:24; In brief,Mexico gave the U.S. $36 million tariff cuts on agricutural products, tools and electrical motors while the U.S. reduced $63 million worth of import duties on Mexican exports of fruits, vegetables, and other agricultural.

194. This Integrated Programme for Commodities (IPC) is based on five key issues: (a) international agreements for trade in 18 individual commodities (three-quarters of value of UDC agricultural and non-oil mineral commdities) to avoid price fluctuations; (b) international common fund to finance buffer stocks for commodity agreements (10 core items suitable for stockpiling); (c) improved compensatory financing scheme for earnings shortfalls; (d) intergovernmental commitments to harmonize stockpiling; (e) stimulating increased processing of raw materials within UDCs through more investment and through reduced trade barriers in DCs to import of UDC processed goods.

195. Erb (1978:42)

196. Ibid:58

197. Ibid:59

198. Grant (1975c:137)

199. Howe & Knowland(1976:1)

200. Hunter (1973e:17, 23)

201. Howe & Knowland (1976:4)

202. Hunter (1973e:14)

203. Ibid:57

204. Hunter (1973b:98)

205. Grant (1975c:146)

206. Hunter (1973b:64)

207. Grant (1975c:148)

208. Hunter (1973b:55)

209. Nearly 1.4% compared to 0.3% for capitalist industrial nations in 1974, 0.16% for the USSR, and 0.3% for China (Grant, 1975:142).

210. Grant (1975c:142)

211. Howe (1976:95ff)

212. Grant (1974a:43); Howe (1976:101)

213. Howe (1976:98)

214. Grant (1974a:44,48)

215. Howe (1974b:15)   216. Fabian (1973:86)

217. Ibid:87

218. Sewell (1977b:112); Fabian (1973:88)

219. Weiss (1974:106)   220. Fabian (1973:83)

221. Kimball (1976:8)   222. Ibid:5; Weiss (1974:102)

223. Fabian (1973:79)   224. Weiss (1974:105)

225. Brown (1972a: 225)   226. Malmgren (1971b:69)

227. Rielly & Hunter (1971:14); Brown (1970a:126); Shaw & Sherk (1972:103)

228. Howe (1972a:8)

229. Brown (1972a:69ff); Malmgren (1972b:1)

230. Malmgren (1972b:9)   231. Brown (1972a:217ff)

232. Gabrial (1972:181ff); Shaw (1972b:229ff); Goulet (1977:103); ILO (1977:158ff)

233. Gabriel (1972:187)

234. Brown (1972a:225); Malmgren (1971b:69)

235. Shaw (1972b:232)

236. Shaw & Sherk (1972:99); In 1969, the ratio of U.S. hourly earnings for assembling office-machines to those paid in foreign affiliates was 6.2 in Mexico, 9.8 in Taiwan, and 10.1 in South Korea.

237. Malmgren (1971b:66)

238. Ibid:66; Shaw & Sherk (1972)

239. Behrman (1972)   240. Howe (1975b:22)

241. Shaw & Sherk (1972:110ff); Malmgren (1971b:68); Gabriel (1972:187); Bradford (1971:13, 44, 62)

242. Hunter (1971d:5)   243. Brown (1972a:226)

244. Howe (1975b:24)   245. Gabriel (1972)

246. Shaw & Sherk (1972:94)   247. Howe (1972a)

248. Behrman (1973:44)   249. Shaw & Sherk (1972:106)

250. Howe (1972a); Shaw & Sherk (1972:106); Brown (1972a: 231); Brown (1972b:11)

251. Malmgren (1971b:67)   252. Brown (1972a:67)

253. Shaw & Laudicina (1971:4)

254. Brown (1972b:54); Shaw & Laudicina (1971:6)

255. Shaw (1972a:14)

256. Ridker (1971:30); ILO (1977:16)

257. Shaw &Sherk (1972:99)   258. Ridker (1971:45)

259. Ibid:47ff; Bradford (1971:27)

260. Shaw (1972a:33)   261. Ibid:29

262. Jackson (1972:19   263. Sewell (1972b:104)

264. ILO (1977:142ff)   265. Ibid:55

266. Shaw (1972a:49); Weiss (1973:40)

267. Jackson (1972:10); Weiss (1973:40)

268. Weiss (1973:40)   269. Jackson (1972:25)

270. Ridker (1971:72); Shaw & Sherk (1972:101); ILO (1977: 55); Jackson (1972:24)

271. Ridker (1971:73)   272. Ibid:73

273. Jackson (1972:10)   274. Shaw (1972a:49)

275. Shaw & Laudicina (1971:3)

276. Weiss (1973:41)   277. Jackson (1972:11ff, 17ff)

278. ILO (1977:143ff); Sewell (1977b:105); Jackson (1972:24)

279. ILO (1977:155); Goulet (1977:186ff)

280. Sewell (1977b:106)   281. ILO (1977:55)

282. Bradford (1971:36ff, 44ff, 58ff)

283. Goulet (1977:131)   284. Brown (1972b:59)

285. Brown (1974)   286. Brown (1972a:132)

287. Brown (1974:99); Hunter (1970:11); Shaw (1972a:22); Howe (1975b:7)

288. Rich (1973:1ff)
289. Ibid:9
290. Brown (1974:123); Brown (1972a:69)
291. Rich (1973:23)
292. Brown & Eckholm(1974:182)
293. Brown (1974:176ff)
294. Rich (1973:52ff)
295. Brown (1974:182)
296. McNamara (1977)
297. Ibid:2, 10
298. Ibid:121
299. Ibid:26-50
300. Shaw (1970:2)
301. Ibid:7
302. Brown & Eckholm (1974:14); Grant & Jackson (1975:152);
303. Brown (1970a: foreword)
304. Ibid:5
305. Ibid:10
306. Ibid:5
307. Brown (1970a:78ff); Shaw (1970:22ff)

308. In Mexico, for example, large-scale capital-intensive irrigated farms (3% total farm; 54% total output) were the largest beneficiaries of the new wheats. In contrast, real income of farm laborers fell from $68 to $56 in 1950-1960 (Shaw, 1970:44).

309. In 1969, for example, landlords brought more than 40,000 eviction suits against sharecroppers in Bihar State alone, and in Mysore, over 80,000 such cases were pending before the courts (Newsweek, August 3, 1970:31, quoted by Shaw, 1970:27). In his Occasional Paper, however, Ridker (1971:34-42) is less pessimistic about the effects of mechanization. Though he cites studies predicting labor-displacement if Green Revolution users mechanize intensively, Ridker argues that multiple-cropping permitted by the new seeds will increase labor-use and release some land for labor-intensive crops, that more labor will be require to produce needed inputs and services and meet increased consumer demands due to higher incomes, and that lower food prices will allow more employment in the economy with less inflationary effects.

310. Shaw (1970:42)
311. Brown & Eckholm (1974:32)
312. Ibid:45
313. Brown (1970a:110, 117)
314. Shaw (1970:45-67); Bradford (1971:23, 34, 43)

315. "The cereal policies of the rich countries are much

more concerned with protecting their own farmaers and exports than they are with encouraging efficient patterns of world production, which might in turn enable the peasant farmer of the developing countries to share the benefits of world trade" (Shaw, 1970:50).

316. Shaw (1970:45) 317. Brown (1970a:168)

318. Barnett (1979:32); Brown & Eckholm (1974:32)

319. The network includes research centers for rice in the Philippines (IRRI), wheat and maize in Mexico (CIMMYT), tropical crops in Nigeria (ITTA) and Colombia (CIAT), and livestock in Ethiopia, (ILCA) (Ford Foundation, 1978:11).

320. Brown (1970a:50) 321. Ibid:55ff

322. Ibid:61ff 323. Ibid:58ff

324. Ibid:162 325. Ibid:62, 162

326. Grant (1973a:17); Shaw (1972a:42)

327. Grant (1973a:19) 328. Brown (1970a:68)

329. Ibid:68 330. Sewell (1977b:114)

331. Brwon & Eckholm (1974:69)

332. Ibid:127; "In the U.S. for example, more than 3 million tons of nutrients are applied to lawns, gardens, and golf courses -- equal to the total amount of fertilizer used in India." According to Brown, 1 ton of fertilizer can produce 10 to 15 additional tons of grain in India" (New York Times, November 10, 1974).

333. Sewell (1977b:113)

334. New York Times, March 16, 1975 on World Food Conference follow-up; Sewell (1977b:116)

335. This group is known as the Consultative Group on Food Production and Investment in Developing Countries.

336. Sewell (1977b:117) 337. Hansen (1975c:6)

338. Haq (1976:2)

339. Hansen (1975b:929); Laudicina (1972)

340. Hansen (1975c:6); Hansen (1975b:923)

341. Hansen (1976c:45ff); Haq (1976:4ff)

342. Hansen (1976c:46)

343. New York Times, September 19, 1975 (Article on U.S. Stance at 1975 Special Session of U.N. General Assembly)

344. Hansen (1975c:16ff); Bergsten (1974b:6); Hansen (1975c: 16, 19)

345. Hansen (1975c:21)   346. Ibid:32

347. Sewell (1977b:8)

348. Haq (1976:iv); see also Sommer (1977:36)

349. Haq (1976:15)   350. Ibid:19

351. For example, the Lima Programme for Mutual Assistance & Solidarity drafted at the Non-Aligned Nations meeting in Lima, August 1975, stated as follows:
"understanding that the struggle to establish the New International Economic Order is ardous, complex and long, a struggle for a second liberation because of the fierce opposition of the imperialists and their obstinate defence of their privileged position which they do not abandon willingly; conscious therefore that international aid in its present conception contributes in many cases to reinforce the structure of international domination, the Ministers of Foreign Affairs reaffirmed the urgent need for concerted efforts by the Non-Aligned countries to mobilise their forces to consolidate their cohesion and their unity, to cooperate with and assist one another in the economic and social fields to strengthen their common front in the struggle against imperialism in order to assure the total independence of their peoples." (Hansen, 1976:47)

352. Hansen (1976c:57)   353. Ibid:61

354. These pre-requisites include: a small number of nations producing a very large proportion of cartelized commodity; cartel participants face no foreign exchange scarcities; and producers hold a substantial advantage over possible product substitutes.

355. Hansen (1974:57)   356. Laudician (1972:3)

357. Hansen (1975b:938ff)   358. Ibid:942

359. Hansen (1976c:58)   360. Ibid:65

361. Ibid:65   362. Ibid:56

363. Haq (1976:8)   364. Ibid:50

365. Brown (1972a:115, 123) 366. ILO (1977)

367. Ibid:57 368. Ibid:57

369. ODC's resident "radical" Denis Goulet (1978) does talk about educational changes within the revolutionary development strategy if independent Guinea-Bissau, but as these changes cannot be articulated separate from the wider social, political, and economic transformation, they are more appropriate left to our last section on Liberation and Revolutionary Socialism.

370. ILO (1977:134) 371. Laudicina (1974)

372. Sewell & Paolillo (1974:135)

373. Laudicina (1974:418, 419, 423, 426)

374. Ibid:422 375. Ibid:435

376. Ibid:303

377. Sewell & Paolillo (1974:127)

378. Kimmins (1971) 379. Ibid:3

380. Youth Task Force on International Development (1971)

381. Ibid:14 382. Millar (1974:i)

383. Ibid:7 384. Ibid:13

385. Ibid:15, 33, 178 386. Ibid:32

387. Ibid:32 388. Ibid:157

389. Ibid:158 390. Ibid:390

391. Ibid:63-78 392. Ibid:87, 104

393. Ibid:117-126 394. Ibid:144-149

395. E.g. "many (UDCs) feel that their poverty and lack of development is a result of both conscious and unconscious discrimination and oppression by the rich counties, as articulated by Nyerere and Latin American rebel priests" (Ibid:66). "China may have achieved adequate nutrition for its ... 800 million people as a result of an effective distribution system and the frugal use of available resources to produce the needed foodstuffs" (Ibid:119); brief extracts from radical sources like Malcolm X, Latin American "rebel priests", Freire, Barnet; the Third World Declaration on Human

Environment which critized anti-liberation policies of developed nations and enrichment of MNCs and national elites through profit-maximization values (Ibid:66, 119, 246, 276, 287, 458, 460, 512).

396. Ibid:43, 54, 78, 153, 170, 181

397. As in footnote (382)

398. Jackson & Kimmins (1971)

399. Ibid:5

400. Barnet (1971); Barnet is a director of the Institute for Policy Studies, a Washington-based critical research institute recently, he co-authored with Ronald Muller an excellent critique of MNCs called Global Reach.

401. In this regard, ODC's resident "radical" Denis Goulet can at best be classified as a radical-liberal.

402 Barnet (1971:21)

403. Ibid:14

404. Ibid:11, 22

405. Ibid:10-17

406. Ibid:32-36

407. Ibid:8, 32

408. Ibid:45-48

409. Ibid:42

410. Ibid:42

411. Ibid:43

412. Ibid:45

413. Ibid:50-52

414. Ibid:51

415. Erb & Kallab (1975)

416. Ibid:x

417. Erb (1975a:139)

418. Ibid:140

419. Ibid:140-147

420. Parmar (1975)

421. Vaitsos (1975)

422. Rey (1975)

423. Traore (1975)

424. Pena (1975)

425. Soedjatmoko (1975)

426. Soedjatmoko (1974)

427. Barry (1974)

428. Mazrui (1975)

429. Grant (1975a)

430. Brown (1975)

431. Kanakaratne (1975)

432. Aspen Consultation (1975:68)

433. McGrath (1975:59)

434. Aspen Consultation (1975:71-83)

435. Hesburgh (1975)
436. Sommer (1975:40)
437. Sommer (1977:141)
438. Ibid:142
439. Freire (1970)
440. Sommer (1977:71)
441. Ibid:74
442. Ibid:75
443. Ibid:75
444. Ibid:100; Sommer(1975:41)
445. Sommer (1977:78)
446. Sommer (1975:41)
447. Sommer (1977:146)
448. Ibid:146
449. Goulet (1972)
450. Goulet (1975:3)
451. Goulet (1977:196)
452. Goulet (1976a:281)
453. Goulet (1977:192)
454. Goulet (1976b:13); Goulet (1977:127, 150)
455. Goulet (1977:84)
456. Ibid:102, 110
457. Ibid:95ff, 111, 114; And even Goulet's criticism of the Arthur D. Little Proposed "frozen foods" system for Brazil is carefully tempered as follows: "What emerges clearly is the conclusion that even responsible consultant firms as Arthur D. Little -- whose top leadership has a geniune social conscience at the international level and whose self-image is that of an snlightened tolerant company where bright people have great freedom to be creative -- do not carefully scrutinize the larger value implications of international consulting" (Ibid:104).
458. Goulet (1976b:10)
459. Goulet (1975:4)
460. Goulet (1976b:20)
461. Goulet (1975:5, 8); Goulet (1977:159, 161, 164, 190)
462. Goulet (1977:199-229)
463. Ibid:28, 43, 44, 158
464. Ibid:120
465. Goulet (1975:7)
466. Ibid:4
467. Goulet (1977:132)
468. Ibid:190, 155, 163
469. Ibid:206
470. Ibid:87
471. Ibid:226
472. Ibid:216, 219
473. Ibid:205

474. Hunter (1972a:7, 17); Rielly & Hunter (1971:4); Hunter (1973d:24); Brown (1972a:250)

475. Hunter (1972a:15)

476. Brown (1972a:52)

477. Shaw (1970:60)

478. Grant (1972:148)

479. Rielly & Hunter (1971:15)

480. Hunter (1972a:13)

481. Ibid:5)

482. Grant (1977:ix)

483. Howe & Sewell (1975:57)

484. Hunter (1972c:265)

485. Brown (1974:96)

486. Barnet (1976)

487. Ibid:13

488. Ibid:8, 5, 16

489. Ibid:15; Barnet here presents no analysis of the kind of "future" urban or advanced medical problems that would require higher-level research and training. Could Barnet be referring to heart disease or nervous disorders?

490. Ibid:17

491. Ibid:18

492. Ibid:16

493. Ibid:21

494. Ibid:18

495. Ibid:24

496. Ibid:25

497. Ibid:25

498. Goulet (1976b:17)

499. Goulet (1975:4)

500. Goulet (1978)

501. Ibid:1ff

502. Ibid:13-16

503. Ibid:21-34

504. Ibid:39ff, 52ff

505. Ibid:42

SECTION IV: CRITIQUE OF ODC DEVELOPMENT-IDEOLOGY

1. supra:136
2. supra:274
3. supra:381
4. Barnet & Muller (1974); NACLA (1971); O'Connor (1970)
5. MNCs now use Brazil as an export base to penetrate European, African and Latin American markets, e.g. Brazilian-made tractors to Turkey, machine tools to England, home appliances to Nigeria, jet planes to Togo. (NACLA,1979:5)
6. U.S. News & World Report, Feb. 18, 1980:93
7. See Chapter 9, supra:309ff
8. Examples of such "accommodating" tactics advised by Business International include as follows:
   "5. Consider naming some local partners to your parent company board of directors. This could be done on a rotating basis and would lend prestige to the partners ... The board members could also convey strategy feedback of discontent or impending problems in the field...
   8. Be prepared to bend on equity. Sometimes it is better to settle for only 25%, with a management contract or a tight licensing agreement to control technology and marketing, rather than insist on a majority. This would defuse nationalist charges that foreigners are drawing out unjustified profits, since the local partner will get the bulk of the profits while you are well compensated for services demostrably rendered.
   9. Take the government or one of its agencies as a partner for projects of special public interest, such as high-protein foods or low-cost basic appliances. A government partner can help clear away the special obstacles confronted on such projects, while relieving the pressure for local participation in your regular line of business" (B.I., 1970:84).
9. The best example in this regard are the oil MNCs. Thus with OPEC price increases, profits of U.S. oil firms have soared to record levels (Engler, 1977:51ff)
10. See Chapter 9, supra:334ff
11. Former U.S. Secretary of Agriculture Orville Freeman, now President of Business International (a regular ODC consulting-firm supporter) has stated "that well agribusiness projects in some developing countries have returned as much as 30 percent a year on investment..." (George, 1976:162)

12. For example, Del Monte's first contract with the Filipino National Development Corporation (1937-56) cost an annual rental of only $40,000 for 17,000 acres of prime land. Also, only profits made on sale of raw pineapplea are taxed rather than canned-product profits, where Del Monte makes most profit. Conversely, the contract still sets the values of raw pineapple (as tax basis) at the 1938 level! (NACLA, 1976b:21)

13. For example, in 1974, Del Monte's 2500 cannery workers received only $1.20 for an 8-hour workday, the official industrial minimum wage. However, 3000 casual pineapple plantation laborers were paid below the official $1-minimum rate for field workers. (NACLA, 1976b:19)

14. Payer (1975:162); Rosenberg (1975:188)

15. McCarmack (1977); Rosenberg (1975); Breidenstein (1974); Korea Newsletter (1976)

16. A good example in this regard is the ODC-lauded industrial complementation schemes whereby MNCs spread production of various parts of an item (e.g. car) among different UDCs. For each country, the technology transferred has limited significance, while each "remains dependent on the multinational which can easily pull out from one country and move to another, a particular part of the cycle if its demands and conditions for profitable are not met." (Constantine, 1977:47)

17. See Chapter 9, supra:333

18. For example, "when demand declines and the plant wishes to reject part of the production or obtain it at heavy discount prices", small growers are the first and most vulnerable victims. (Feder, 1976:1076)

19. Examples of counter-reform tactics include eviction of peasants prior to land-claims, threats on directors of land-reform institutes, and influence-peddling among government officials. (Feder, 1971:257)

20. For example, the criteria based on "use" rather than unequal land distribution excludes practically all large estates; expropriated landowners are to be compensated profitably; the inadequacy of governemnt financing for compensation, hence slowing reform pace; unequal legal power of estate owners and peasants, so that owners have excessively more legal tools and political influence to fight reform actions.

21. supra:333

22. For example, in 1952, before the land-to-the-tiller

campaign, only 66 landowners (0.01% of all landowners) had farms over about 100 hectares composing only 2.1% of the entire private farm area, whereas comparative ratios for Colombia (1954) was 5% large landowners: 77% total farm area; Mexico (1930) 7%: 95%; Philippines (1948) 2% : 11%.

23. Wage rates in Taiwan in MNC-dominated industries are in fact no better and often worse than other less "successful" UDCs. For example, for consumer electronic products, the hourly wage rates for Hong Kong, Mexico and Taiwan are 27¢, 53¢, and 14¢ respectively. For office machine parts, the rates are 30¢, 48¢ and 38¢. (Barnet & Mullar, 1974:127)

24. Hudson (1972:152ff)

25. Though 1954 to the mid-60s, about a quarter of all U.S. agricultural exports went through PL480 channels. But by 1973, the proportion of food aid to total agricultural exports had dwindled to only 4 percent (George, 1976: 197)

26. Example include promotion of use and production in UDCs of U.S. livestock feed (e.g. corn, oats, alfafa, soybeans); modernized cattle ranching; and Green Revolution programmes (George, 1976:201ff)

27. See Chapter 8, supra:286

28. Comm. Foreign Affairs (1974:123);Sewell (1977:237); McLaughlin (1979:252)

29. In fact, since 1964, the International Finance Corporation (IFC) -- a World Bank affiliate -- has been financing agribusiness ventures in UDCs (e.g. meat and vegetable preserving in the Philippines; vegetable export from Sengal).George (1976:241) has recounted the tragic consequences of one IFC project in Ethiopia in the late 60's: sugar production in cooperation with a Dutch agribusiness MNC (HVA). The resultant deprivation of traditional grazing grounds for the Afar semi-nomadic cattle-raising tribe forced the Afar to seek less fertile pastures far from the river valley, initiating a chain reaction of relative over-grazing, animal famine, and finally human famine which wiped out at least one third of the Afars (about 100,000 by conservative estimates).

30. IDB (1964, 1965, 1966, 1967, 1975, 1977);
ADB (1970, 1973, 1976); Myint (1972); Watanabe (1972)

31. See Chapter 5, supra:156

32. Richards (1977:66)

33. One of the most illuminating instance on this point is the U.S. aid strategy towards Allende's radical experiment in Chile. (NACLA,1976: 27,7). Following his election to power, U.S. bilateral and Multilateral economic aid virtually ceased, but not so military aid which steadily increased in fact over 1970 to 1973. Furthermore, despite congresscenal efforts to limit arms sales to post 1973 China, Pinochet was able to purchase $143.5 million of U.S. arms over 1973-March 1976. In 1974, 1975 and 1976, aid sales to Chile made that country top-ranking Latin American UDC in such sales by the U.S.

34. The five 'ODC directors on the Trilateral Commission (according to the August, 1975 members' list) are Harvard's Robert Bowie, Yale's Richard Cooper (now a Carter Under-Secretary & Economic Affairs, State Department), David Rockefeller himself, former Governor William Scranton, and recent UAW President Leonard Woodcock (now Ambassador to Peking) (Crozier, 1975: 215ff).

35. U.S. News & World Report, Jan 28,1980: 29

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APPENDICES

APPENDIX I

LIST OF STANDARD REFERENCES CONSULTED

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16. World Index of Social Science Institutions (1970 Edition).

Appendix II

NAMES AND INSTITUTIONAL AFFILIATIONS* OF FORMER & PRESENT ODC DIRECTORS#

ABRAM, Morris
Partner
Paul,Weiss,Goldberg,Rifkind,
Wharton,& Garrison

ANDERSON, Robert O.
Chairman
Atlantic-Richfield Co.

ANDERSON, Roger E.
Senior Vice-President
Continental Illinois National
Bank & Trust Co.

ATTWOOD, William
President
Newsday

BANCROFT, Harding F.
Executive Vice-President
The New York Times

BEIRNE, Joseph
Vice-President
AFL-CIO

BELL, David E.
Vice-President
Ford Foundation

BERGSTEN, C.Fred
Senior Fellow
Brookings Institution

BILHEIMER, Robert S.
Executive Director
Dept.of International Affairs
National Council of Churches

BLACK, Eugene R.
Director
American Express Co.

BORDELON, Marvin
Director
Dept.of International Affairs
U.S.Catholic Conference

BOWIE, Robert R.
Director
Center for International
Affairs,Harvard University

BREWSTER, Kingman
President
Yale University

BROWN, Harrison
Professor
California Institute
of Technology

BROWN, Lester R.
President
WorldWatch Institute

BURLINGAME,John F.
Vice-President
General Electric Co.

CALDWELL, John T.
Chancellor
North Carolina State
University

CAMPBELL, Anne
American Association of
University Women

CAMPBELL, Wallace J.
President
Foundation for Cooperative
Housing

CARNEY, Thomas P.
Senior Vice-President
G.D.Searle & Co.

CASE, Josephine Young
Author

CHARPIE, Robert A.
President
Cabot Corporation

CHASEMAN, Joel
President
Post-NewsWeek Stations

COFFIN, Frank M.
Judge
U.S.Court of Appeals of
the First Circuit

Mrs.CHRISTOPHERSON, W.M.
First Vice-President
League of Women Voters of
the United States

COLLADO, Emilio G.
Executive Vice-President
Exxon Corporation

COOPER, Owen
President
Mississippi Chemical
Corporation

COOPER, Richard
Professor
Yale University

DEAN, R.Hal
Chairman
Ralston Purina Co.

DEMUTH, Richard H.
Partner
Surrey,Karasik & Morse

DENNISON, Charles S.
Vice-President
International Minerals &
Chemicals Corporation

DIEBOLD, John
Diebold Institute for Public
Policy Studies Inc.

DILLON, C.Douglas
Chairman
Dillon,Read & Co.

DRAPER Jr.,William H.
Hon.Chairman
Population Crisis Committee

EDELMAN, Marian Wright
Washington Research Project

FARMER, Thomas L.
Partner
Prather,Levenberg,Seeger,
Doolittle,Farmer & Ewing

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* "Institutional affiliations" shown refer to the stated affiliation at time of entry into ODC's Board of Directors. A few exceptions apply where it is felt that a more recent affiliation is moresignificant from a power-elitist perspective. Also, the list does not attempt to keep up withthe various elite-interpenetrations that have occurred since anindividual came upon ODC's Board e.g. temporary or otherwise movement from corporate or intellectual elite position into State positions. These have been dealt with in the discussions within Section 6.

The time period covered is circa 1970-1977.

Appendix II(continued)

NAMES AND INSTITUTIONAL AFFILIATIONS OF FORMER AND PRESENT ODC DIRECTORS

MASON, Edward S.
Development Advisory Service
Harvard University

MCCOLOUGH, C.Peter
President
Xerox Corporation

MCQUADE, Lawrence C.
President
Procon Inc.

MCQUIRE, Francis Thomas
Senior Vice-President
Deere & Co.

MILLER, Arjay
Dean
Graduate Business School
Stanford University

MIOSSI, Alfed F.
Executive Vice-President
Continental Illinois National
Bank & Trust,Chicago

MOOS, Malcolm
President
University of Minnesota

MURPHY, Thomas A.
Vice-President
General Motors Corporation

NUGENT, Randolph
United Methodist Church

OGDEN, William S.
Executive Vice-President
Chase Manhattan Bank

OSTRANDER, F. Taylor
Assistant to Chairman
American Metal Climax Inc.

PARKER, Daniel
Chairman
Parker Pen Co.

PERKINS, James A.
Chairman
International Council for
Educational Development

PERRY, Hart
Executive Vice-President
ITT Corporation

PETERSON, Rudolph
Chairman
Bank of America

PROCTOR, Samuel Dewitt
Clergyman

RICE, Andrew E.
Executive Secretary
Society for International
Development

ROBINSON, Charles W.
President
Marcona Corporation

ROBINSON, James D.III
President
American Express
International

ROCKEFELLER, David
Chairman
Chase Manhattan Bank

ROHRBACHER, Bruce W.
Director
McKinsey & Co.

SCHNITTKER, John A.
Vice-President
Robert Nathan Associates

SCRANTON, William W.
Chairman
National Liberty
Corporation

SHEPARD, David H.
President
Cognitornics Corporation

SLATER, Joseph E.
President
Aspen Institute for
Humanistic Studies

SMITH, Edward B.
Chairman
Northern Trust Co.

SOMMERS, Davidson
Chairman
Equitable Life Assurance
Society

SOTH, Lauren K.
Editor,Editorial Pages
Des Moines Register &
Tribune

STAMAS, Stephen
Vice-President
Exxon Corporation

SWEARINGEN, John E.
Chairman
Standard Oil Co. of
Indiana

SWEET, Debra J.
-

THOMAS, Richard L.
President
First National Bank of
Chicago

THORNTON, Charles B.
Chairman
Litton Industries

VERNON, Raymond
Center for International
Affairs
Harvard University

VLIERDEN, C.M.Van
Executive Vice-President
Bank of America

WHARTON Jr.,Clifton R.
President
Michigan State University

WILKINSON Jr.,J.Harvie
Chairman
United Virginia Bank

WOODCOCK, Leonard
President
United Automobile Workers

YOST, Charles W.
National Committee on
U.S.-China Relations

ZORTHIAN, Barry
Vice-President
Time Inc.

Appendix II(continued)

NAMES AND INSTITUTIONAL AFFILIATIONS OF FORMER & PRESENT ODC DIRECTORS

FLEMMING, Arthur S.
Post-Conference Board
White House Conference
on Aging

FISHER, Roger D.
Professor
Harvard University

FOSTER, Luther H.
President
Tuskegee Institute

FOX, John M.
Chairman
United Fruit Co.

FRANKLIN, William Henry
President
Caterpillar Tractor Co.

FREDERICKS, J.Wayne
Head,Middle East & Africa
Program
Ford Foundation

FREEMAN, Orville
President
Business International
Corporation

GEYELIN, Philip L.
Editor, Editorial Page
The Washington Post

GIRARD Jr.,Stephen A.
Senior Vice-President
Kaiser Industries Corporation

GOLDBERG, Arthur J.
Senior Partner
Paul, Weiss,Goldberg,Rifkind,
Wharton & Garrison

GORDON, Lester E.
Director
Harvard Institute for
International Development

GORDON, Kermit
President
Brookings Institution

GORDON, Lincoln
President
John Hopkins University

GRANT, James P.
President
Overseas Development Council

HARDIN, Clifford M.
Vice-Chairman
Ralston-Purina Co.

HARRAR, J.George
President
Rockefeller Foundation

HAYES, Samuel P.
President
Foreign Policy Association

HAMILTON, Edward K.
Vice-President
Brookings Institution

HEINZ II, Henry John
Chairman
H.J.Heinz Co.

HESBURGH, Theodore M.
President
University of Notre Dame
(Chairman, ODC)

HEWLETT, William R.
President
Hewlett-Packard Co.

HINERFELD, Ruth J.
League of Women Voters
of the U.S.

HORNIG, Donald F.
President
Brown University

JORDAN Jr.,Vernon E.
Executive Director
National Urban League

KAISER, Edgar F.
Chairman
Kaiser Industries
Corporation

KATZENBACH, Nicholas deB.
Corporate Vice-President
& General Counsel
IBM Corporation

KAYSEN, Carl
Director
Institute of Advanced
Study,Princeton University

KELMAN, Steven J.
-

KILLEFER, Tom
Vice-President Finance &
General Counsel
Chrysler Corporation

KOKONTIS, William C.
-

KOOKER, Judith C.
School of Advanced International Studies
John Hopkins University

KORRY, Edward M.
-

LAKE, Anthony
International Voluntary
Services

LAWLESS Jr.,William J.
General Manager
IBM World Trade Corporation

LEVY, Walter J.
President
Research & Social Service
Foundation

LEWIS, John P.
Dean
Woodrow Wilson School of
Public & International
Affairs,Princeton University

LEWIS, W.Arthur
Professor
Woodrow Wilson School of
Public & International
Affairs,Princeton University

LILIENTHAL, David E.
Chairman
Development & Resources Inc.

LINEN, James A.
Chairman
Time Inc.

LUCAS, C.Payne
President
Africare

MALMGREN, Harald B.
Woodrow Wilson International
Center for Scholars
Princeton University

MARTIN, Louis E.
Vice-President & Editor
Chicago Daily Defender

Appendix III

CAREER BACKGROUND OF ODC STAFF AND WRITERS*

** 1. President JAMES P.GRANT -- 20 years experience with "development" problems in Asia and Middle East. Economist and lawyer. Director USAID Ceylon,Turkey. Asst. Administrator of USAID,1967-69. Also Deputy Asst. Secretary of State for Near East & South Asian Affairs.

** 2. Vice-President JOHN W.SEWELL -- formerly Asst. to the President, Brookings Institution, and 10 years as Foreign Service Officer, Dept. of State.

** 3. Senior Fellow GUY F.ERB -- formerly adviser to Central American Common Market.Also with UNCTAD and in Office of Special Representative for Trade Negotiations, U.S. Dept.of State (Joined staff, National Security Council,1978).

** 4. Senior Fellow ROGER D.HANSEN --also Senior Research Fellow for Council on Foreign Relations' 1980s Project; previously U.S. Deputy Asst. Special Trade Representative, Office of Special Representative for Trade Negotiations, U.S.Dept.of State (now Professor of International Organizations, School of Advanced International Studies, John Hopkins University).

** 5. Senior Fellow JAMES W.HOWE -- previously member, Policy Planning Council, Dept.of State, and Director, U.S. Aid Program to East African Community.

** 6. Senior Fellow MARTIN M. MCLAUGHLIN -- formerly Deputy Director, Office of International Training, USAID.

** 7. Fellow JOHN G.SOMMER -- previously 6 years with Ford Foundation, mainly as Asst. Representative, New Delhi(1970-75). In 1963-67, volunteer and staff member, International Voluntary Services, South Vietnam.

** 8. Visiting Fellow ROBERT H. JOHNSON -- Charles Evans Hughes Professor of Government, Colgate University. Formerly staff member, National Security Council. Member, Policy Planning Council, U.S.Dept.of State. Aearded a Rockefeller Public Service Award for distinguished government service.

** 9. Visiting Fellow DENIS GOULET -- "As a philosopher of development who studies ethical and value problems in development, he has combined intellectual and manual labor in Algeria, Lebanon, France,Spain and Brazil" (Became ODC Senior Fellow in 1978).

10. Senior Fellow LESTER R.BROWN -- official, U.S. Dept.of Agriculture(1959-69);Administrator, International Agricultural Development Service (1966-69).Now President, Worldwatch Institute(1975 -)

11. Senior Fellow HARALD B.MALMGREN -- now Deputy Special Representative of Trade Negotiations, Office of U.S.President. Formerly Asst. Special Representative of Trade Negotiations (1964-69). Leaderof U.S. delegations at GATT, OECD,U.N. head of Economics Group, Institute for Defense Analyses (1962-64).

12. Senior Fellow ROBERT HUNTER -- current affiliation unknown. While with ODC, also Professorial lecturer, School of Advanced International Studies, John Hopkins University. Served on President Johnson's White House staff(1964-65). Research associate, Institute for Strategic Studies (1968-69).

13. Fellow ROBERT D'A SHAW -- now Economist, IBRD. Two years administering British volunteer program in Tanzania; travelled extensively in Africa.

14. Visiting Fellow CHARLES PAOLILLO -- staff consultant, U.S.House of Representatives, Committee on International Relations.

15. Visiting Fellow PAUL M.WATSON -- Second Vice-President, Continental Illinois National Bank & Trust Co. of Chicago; work experience in Southeast Asia.

16. Occasional Paper Author RONALD G.RIDKER -- Population Studies Program Director, Resources for the Future. Formerly Economic adviser to USAID, India; Chief,Planning Division, Near East & South Asia Bureau, USAID.

17. Occasional Paper Author GEOFFREY W. MAYNARD -- Professor of Economics,University of Reading. Formerly consultant, U.K.Treasury(1962-65),ODI,U.K.Foreign & Commonwealth Office(1967-71). Adviser in Harvard's DAS, Argentina(1965-67). Also consultant to IBRD, IDB, Alliance for Progress.

18. Occasional Paper Author ARTHUR DOAK BARNETT --Head, Dept.of Foreign Area Studies, Dept.of State(1956-57). With Ford Foundation(1959-61); Professor of Political Science Columbia(1961-69). Senior Fellow, Brookings Institution,1969- . Member,advisory panel on China, U.S.Dept.of State(1966-69).

19. Monograph Author COLIN I. BRADFORD JR. -- Senior Economic Adviser for CIAP Country Reviews, Secretariat Development Advisory Service. Formerly associate fellow, ODC.

20. Monograph Author CHARLES R. FRANK JR. -- Professor, Economics & International Affairs, Woodrow Wilson School of Public & International Affairs, Princeton University. Consultant to USAID, World Bank, ECAFE.

21. Monograph Author JAGDISH N.BHAGWATI -- Professor of Economics, MIT; Formerly Professor, Indian Statistical Institute, Delhi University. Served with ECAFE, UNCTAD, UNIDO expert groups. Also consultant to OECD, UNCTAD, Turkish State Planning Association, India's Ministries of Finance and Commerce.

Appendix III(continued)

22. Monograph Author NATHANIEL MCKITTERICK -- consultant to USAID and government agencies. Former asst. to Eugene Black, World Bank President(1959-61). Special adviserto President Johnson on Southeast Asian economic and social affairs. Director, Office of International Economic & Social Affairs, Bureau of International Organizations, U.S.Dept.of State.
23. Monograph Author B.JENKINS MIDDLETON -- Washington partner of Rochester,N.Y. law firm of Nixon, Hargrave,Devaus & Hoyle. With U.S. Export-Import Bank for 11 years, Vice-President of Financing.
24. Development Paper Author MAHBUB UL HAQ --Director, Policy Planning & Program Review Dept., World Bank. Former Chief Economist, Pakistan Planning Commission.
25. Development Paper Author FRANK M.COFFIN -- U.S. Circuit Judge, U.S.Court of Appeals for First Circuit. Former Congressman from Maine; Managing Director, Development Loan Fund,Dept.of State; Deputy Administrator, USAID and U.S. Representative to Development Assistance Committee of the OECD.
26. Development Paper Author BARBARA WARD -- author, economic interpreter; President, International Institute for Environmental Affairs. Formerly Foreign Affairs Editor, Economist, London.
27. Development Paper Author ROBERT S.MCNAMARA -- President, World Bank,1968- ; Formerly with Ford Motor Co.(1946-61), President 1960-61; U.S. Secretary of Defense,1961-68 .
28. Communique Author LEE KIMBALL -- freelance writer on international affairs issues. 1974-75 consultant to Ocean Education Project, Washington D.C.
29. Communique Author MORRIS D.MORRIS -- ODC's PQLI Director, consulting staff; Professor of Economics, Universityof Washington,1961- ; research on European and Indian economic history, Asian economic development.
30. Article Author in ODC book "Pacific Basin Development" J.ALEXANDER CALDWELL -- Research Fellow, Asia Society; now Economist, Morgan Guaranty Trust Co.
31. Article Author in ODC book "Development Today" WILLARD L.THORP -- Professor Emeritus, Amherst College, formerly Asst.Secretary of State for Economic Affairs; Chairman, Development Assistance Committee,OECD; U.S. Representative to U.N.Economic & Social Council; Director, National Bureau of Economic Research.
32. Article Author in ODC book "Development Today" PETER P.GABRIEL -- Principal of McKinsey & Co.; Formerly General Manager, Industrial Consultants Organization, SA(Caracas)
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34. Article author in ODC book "Development Today" DONALD M.FRASER --U.S.House of Representative(Democratic-Farm-Labor) from Minnesota; member, House Committee on Foreign Affairs (chairman, Sub-Committee of International Organizations & Movements).
35. Article Author in ODC's book "Development Today" FRANK CHURCH -- Senior U.S.Senator for Idaho; member Senate Committee on Foreign Relations(now chairman).
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41. Article Author in ODC book "Beyond Dependency" SOEDJATMOKO--Adviser to Chairman,National Planning Board,Indonesia; Ambassador of Indonesia to U.S.(1968-72).
42. Article Author in ODC book "Beyond Dependency" SOUMANA TRAORE --Director-General of the Societe Africaine pour Etudes et Development
43. Article Authorin ODC book "Beyond Dependency" CONSTANTIVE VAITSOS --Director of Div. of Policies on Science & Technology, Andean Common Market; Senior Fellow, Trade & Technology,Institute of Development Studies, Sussex University.
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* The list covers the period circa 1970-77, except where no information on career background is available from either standard reference directories or from the text itself (e.g. particularly research assistants)

** On 1977 ODC staff list.

APPENDIX IV

ODC TRANSNATIONAL DIALOGUES PROJECT

Over 1976/1977, the ODC organized three international "dialogues" between 50 Americans and the "peoples of developing countries in Latin America, West Africa, and South Asia" (see Section III, Chap. 6). In February 1978, participants from all 3 groups met for 3 days at the Johnson Foundation's Wingspread Conference Center in Racine, Wisconsin

> to discuss their experiences and to focus on the public and private responses of American individuals, organizations and government agencies to the pressing problems of world hunger and development.

Below is reproduced ODC's own Summary of the Discussions at this Conference, as well as several recommendations on U.S. policy (vis-a-vis a broad range of "development" issues) that "represent a general concensus among participants, particularly as to goals for the short and long term." The summary is part of an internal report kindly provided by the ODC at my request.

"SUMMARY OF DISCUSSIONS"

The growing interdependence of nations necessitates increasing cooperation and concerted action on the part of all peoples and nations, both rich and poor, if we are to create a peaceful and just world order. A first principle for policies of American public and private organizations and institutions is a fundamental commitment to promote the well-being of all peoples. This goal can be met by addressing simultaneously(1)basic human needs,(2)economic growth, and (3) an increase in agricultural production. Essential to progress in any of these three areas is the need to enhance the power of the majority of people within any society to exercise control over the decisions relating to the ownership, use, and control of basic resources. Primary among these is the control and use of land. Access to capital, to education and health care, to varied sources of energy and to a host of other factors that give people the wherewithal to control their own environment, is essential. Policies of both the U.S. and developing country governments and of various private entities that inhibit the majority of people from controlling or at least participating in the decisions that affect their daily lives, must be reevaluated.

These three goals of (1) meeting basic needs, (2) increasing economic growth, and (3) expanding agricultural production, are often in tension but are not contradictory. Approached appropriately, they can be mutually reinforcing. In each case, however, two other things must be kept in mind: First, the developing countries are committed to increasing their self-reliance and to determining their own path. It is important for the U.S. to encourage these efforts when possible and to recognize the right of each nation to determine its own goals and policies. Above all, the U.S. should not intervene directly in those situations where disagreements may arise over these internal goals and policies. Second, all parties involved in the development process must recognize its long-term nature. There are no easy answers, or "quick fixes." Hence, it is important that the United States and the ~~developing~~ countries, commit their resources to a long-term development effort.

Recognizing then that the U.S. government must be responsive to domestic as well as to global problems and pressures, the participants at the Wingspread Workshop discussed and recommended the following broad policy guidelines. The first nine recommendations focus primarily on the components of a "basic needs" strategy which will help to improve the quality of life of the world's poorest billion. The next four recommendations are major elements of a new relationship between industrialized and developing countries commonly called a "new international economic order." The final two recommendations relate to the responses and needs of the U.S. public.

FOOD PRODUCTION:

The U.S. should support the developing countries' goals for improving their food production capabilities and for achieving self-sufficiency in food production. One important aspect of this issue would be the establishment of a global food reserve to stabilize prices for producers and consumers and to meet emergency food needs. Food production is dependent on economic incentives to production, adoption and development of new technologies and the adequacy of the resource base which includes land, water, energy, fertilizers, pesticides, mechanization, etc.

EMPLOYMENT:

The U.S. should support and encourage a basic needs strategy for developing countries that emphasized the creation of employment opportunities for the majority of the people in those countries. Such an employment program will necessitate an integrated approach between the rural and urban sectors of the developing country economics and must be especially cognizant of the employment needs of educated youths. Additionally, the encouragement of job-creating development strategies abroad must always take into consideration the needs of American workers who may be displaced by a shift in production to developing countries.

HEALTH/NUTRITION:

The U.S. should support developing countries in assessing their health care needs and, when possible, support the development of comprehensive national health care systems which emphasize meeting primary health needs and methods of health care that are aimed at improving the physical well-being of the poor majority. Focus also should be placed on helping developing countries to improve nutritional well-being and to reduce malnutrition amongst their populations.

EDUCATION:

The U.S. should support the development of educational systems for men and women in developing countries that provide, at a minimum, universal primary education. These systems should emphasize professional and technical programs that aim at increasing the participation of the majority of people in the formulation of their development needs and priorities as well as nutrition and health education.

POPULATION:

While recognizing that the developing nations should formulate their own population policies, the U.S. should actively support the programs of those countries which advocate population stabilization and are taking specific steps to slow population growth.

WOMEN:

The role of women in developing countries must ultimately become integrated into any comprehensive development strategy. However, it is important in the short term for the U.S. to encourage special programs that will benefit women in developing countries. In addition, any food or nutrition program should consider the predominant roles of women in food production, preparation and distribution.

BUILDING ON TRADITION AND "GRASS ROOTS" DEVELOPMENT:

The U.S. should support the initiatives of developing nations which are seeking a type of development that builds on traditional values and culture. In addition, there should be U.S. institutional support for programs that support "grass roots" and rural development or community organization efforts.

HUMAN RIGHTS:

The U.S. should support the development programs of those countries whose governments observe and promote basic human rights. Such an approach should recognize, however, that poor people in developing countries which fail to recognize human rights--economic, political and social--also need support, and U.S. policy should take the concerns of these people into consideration as well.

RESEARCH:

A new generation of research is essential if the needs of all countries for increased food production are to be realized within certain recently identified constraints. It is important that resources for research be directed toward the development of food producing systems that are labor intensive and scale neutral, that will result in sustained production at high levels, and that are sparing of capital, natural resources, and management skills.

Additionally, the Food and Agriculture Act of 1977 provides legislation for the development of technologies adapted to small scale farms of limited resources. Most international agricultural development programs also recognize the potential economic viability of the small farm as the key unit for increasing food production in the developing countries. It is important that the provision of the Food and Agriculture Act relating to small farm technology be implemented.

TRADE:

Trade in food commodities should be encouraged so as to enhance the capacity of developing countries to supply the nutritional needs of their citizens as they increase their own production capacity. Also, the U.S. should participate in negotiations for commodity agreements that will benefit both exporting and importing countries. In addition, the lowering of trade barriers to the manufactured exports of developing countries is essential for the growth of developing country economies so they can earn the external resources necessary to promote their own development plans. Concommitant policy in the U.S. will be necessary in the area of improved adjustment assistance programs to compensate American workers and firms affected by imports from developing countries.

AID

The U.S. should work aggressively to meet the

1970 U.N. target of .7% of GNP for international development assistance programs by appropriately increasing resource transfers through bilateral and multilateral channels. This development assistance should be focused on meeting the needs of the poorest people. Additionally, there needs to be a single voice within the U.S. government to coordinate all aspects of U.S. development policies. Hence, the International Development Cooperation Act of 1978, also known as the Humphrey Bill, should be given serious consideration this year. Finally, the U.S. government should choose to send official U.S. representatives to developing countries who sympathize with the long-term aspirations of those countries and can thereby be supportive of their development goals.

INVESTMENT AND CAPITAL FLOWS:

U.S. policy should be designed to encourage a net flow of capital resources to developing countries and to contribute to a more equitable distribution of wealth between and within rich and poor nations. Recognizing that private investment poses particularly difficult choices for both industrial and developing countries, U.S. policy should support codes of conduct and mediation services that will give host countries and foreign investors an equal voice in determining investment policy in developing countries. In addition, U.S. businesses should be encouraged to make investments in developing countries that will (a) transfer appropriate technology to address the development needs of the country, (b) create jobs, (c) improve the standards of working conditions, and (d) expand the GNP of the host country.

ENERGY:

The U.S. should place a priority on the conservation of non-renewable fossil fuel energy resources, both to strengthen its own economy by easing balance of payments deficits and to ease the pressure on the world's remaining petroleum supplies. In addition, the U.S. should support and encourage the development of renewable energy resources, both for itself and other countries, with the ultimate goal of enabling maximum energy self-sufficiency for all nations.

PRIVATE INITIATIVES:

In many areas of international cooperation for development, the programs of private and voluntary organizations may be more effective than those of government agencies. This is particularly true where developing country governments have not been committed to meeting the basic needs of their people. U.S. government policy should be supportive of the efforts of private American groups working in developing countries.

PUBLIC EDUCATION FOR AMERICANS:

There is a pressing need to inform the broader American public about the world food situation and the development needs and aspirations of developing countries. Both the U.S. government and non-governmental organizations dealing with international affairs, have a responsibility to include these global issues as a part of their on-going education and action agendas with a variety of private and public organizations and constituencies in this country.